

Owens Corning  
Form DEF 14A  
October 28, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party Other Than the Registrant

Check the Appropriate Box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Owens Corning**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

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Notice of Annual Meeting  
of Stockholders  
and Proxy Statement

**DATE & TIME:**

Thursday, December 3, 2009

10:00 a.m., Eastern Standard Time

**PLACE:**

Sidley Austin LLP

787 Seventh Avenue

New York, New York 10019

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**HOW TO VOTE**

Most stockholders have a choice of voting on the Internet, by telephone or by mail using a traditional proxy card. Please refer to the proxy card or other voting instructions included with these proxy materials for information on the voting methods available to you. **If you vote on the Internet or by telephone, you do not need to return your proxy card.**

**ANNUAL MEETING ADMISSION**

Only stockholders who are eligible to vote at the Annual Meeting will be admitted to the Annual Meeting. Stockholders must present a form of personal photo identification to be admitted. If your shares are held in the name of a bank, broker or other holder of record, you also must present a brokerage statement or other proof of ownership to be admitted.

**HELP US REDUCE PRINTING AND MAILING COSTS**

If you share the same last name with other stockholders living in your household, you may receive only one copy of our Notice of Annual Meeting and Proxy Statement and accompanying documents. Please see the response to the question "What is householding and how does it affect me?" for more information on this stockholder program that eliminates duplicate mailings.

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**OWENS CORNING**

Owens Corning World Headquarters

One Owens Corning Parkway

Toledo, Ohio 43659

**Notice of Annual Meeting of Stockholders**

- TIME AND DATE:** 10:00 a.m., Eastern Standard Time on Thursday, December 3, 2009
- PLACE:** Sidley Austin LLP  
787 Seventh Avenue  
New York, New York 10019
- PURPOSE:**
1. To elect four directors to serve until the 2012 Annual Meeting of Stockholders and until their successors are elected and qualified: Norman P. Blake, Jr., Landon Hilliard, James J. McMonagle and W. Howard Morris.
  2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2010.
  3. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.
- RECORD DATE:** You can vote if you are a stockholder of record at the close of business on October 6, 2009.
- ANNUAL REPORT:** Our Annual Report for the Fiscal Year Ended December 31, 2008 ( 2008 Annual Report ) is enclosed with these materials as a separate booklet. Additional financial information is available on our website at <http://www.owenscorning.com/investors>. The 2008 Annual Report and additional financial information available on our website are not a part of the proxy solicitation materials.
- PROXY VOTING:** It is important that your shares be represented and voted at the Annual Meeting. You can vote your shares on the Internet, by telephone or by completing and returning your proxy or voting instruction card. See details under the heading How do I vote?

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD DECEMBER 3, 2009: The Notice of Annual Meeting and Proxy Statement and 2008 Annual Report are available at**

**<https://materials.proxyvote.com/690742>.**

By order of the Board of Directors,

Stephen K. Krull

*Secretary*

Toledo, Ohio

October 28, 2009



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**PROXY STATEMENT**

**QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING**

**Why did I receive these proxy materials?**

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Owens Corning ( Owens Corning, the Company, we, us or our ), a Delaware corporation, of proxies to be voted at our 2009 Annual Meeting of Stockholders (the Annual Meeting ) at any adjournment or postponement thereof. On October 28, 2009, we began distributing these proxy materials to stockholders.

**How can I attend the Annual Meeting?**

You are invited to attend our Annual Meeting of Stockholders on December 3, 2009, beginning at 10:00 a.m., Eastern Standard Time. The Annual Meeting will be held at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019. Only stockholders who are eligible to vote at the Annual Meeting or their authorized representatives will be admitted to the Annual Meeting. Stockholders must present a form of personal photo identification to be admitted to the Annual Meeting. If you are a beneficial owner of shares, you also must present a brokerage statement or other proof of ownership to be admitted. No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the Annual Meeting. Seating will be limited.

**Who is entitled to vote at the Annual Meeting?**

Holders of Owens Corning common stock at the close of business on October 6, 2009 are entitled to receive this Notice and to vote their shares at the Annual Meeting. As of that date, there were 127,832,344 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting. All stockholders of record may vote in person at the Annual Meeting. Stockholders of record may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the Annual Meeting.

The names of stockholders of record entitled to vote at the Annual Meeting will be available for any purpose germane to the meeting at the Annual Meeting and for ten days prior to the Annual Meeting between the hours of 8:45 a.m. and 4:30 p.m., at our principal executive offices at One Owens Corning Parkway, Toledo, Ohio, by contacting the Secretary of the Company.

**How do I vote?**

You may vote using one of the following methods:

vote through the Internet at [www.proxyvote.com](http://www.proxyvote.com) using the instructions included in the proxy card or voting instruction card;

vote by telephone using the instructions on the proxy card or voting instruction card;

complete and return a written proxy or voting instruction card; or

attend and vote at the Annual Meeting. (See Who is entitled to vote at the Annual Meeting? )  
Your vote is important. You can save us the expense of an additional solicitation by voting promptly.

**Will my shares be voted if I do not provide instructions to my broker?**

If you are the beneficial owner of shares held in street name by a broker, the broker (as the record holder of the shares) is required to vote those shares in accordance with your instructions. If you do not provide instructions, your broker, depending on the nature of the matter, may be able

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to vote your shares at its discretion or may not be able to vote your shares.

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### **How do I vote shares I hold through the Company's 401(k) plans?**

If you hold shares through the Owens Corning Savings Plan or the Owens Corning Savings and Security Plan, you will receive a request for voting instructions with respect to your plan shares. You are entitled to instruct the plan trustee on how to vote your plan shares. If you do not give voting instructions to the plan trustee within the time specified by the plan trustee, your plan shares will be voted by the plan trustee in the same proportion as shares for which voting instructions have been received for such plan.

### **What can I do if I change my mind after I vote my shares?**

If you are a stockholder of record, you can revoke your proxy before it is exercised by:

written notice to the Secretary of the Company;

timely delivery of a valid, later-dated proxy or a later-dated vote by telephone or on the Internet; or

voting by ballot at the Annual Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your broker or other holder of record.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting.

### **What are the voting requirements to elect the directors and to approve the proposal discussed in this Proxy Statement?**

The presence of the holders of a majority of the shares of common stock entitled to vote at the Annual Meeting, present in person or represented by proxy, is necessary to constitute a quorum. If you are a beneficial owner, your broker or other holder of record is permitted to vote your shares on the election of directors and the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm, even if the stockholder of record does not receive voting instructions from you.

#### ***Election of Directors***

A plurality of the votes cast is required for the election of directors. This means that the director nominee with the most votes for a particular slot is elected for that slot. You may vote for or withheld with respect to the election of directors. Only votes for are counted in determining whether a plurality has been cast in favor of a director. Abstentions are not counted for purposes of the election of directors.

#### ***Ratification of the Selection of PricewaterhouseCoopers LLP***

Although ratification is not required by our bylaws or otherwise, we are asking our stockholders to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2010. The affirmative vote of a majority of the votes which could be cast by the holders of all stock entitled to vote which are present in person or by proxy at the Annual Meeting is required to approve the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2010. Abstentions will count as present and entitled to vote for purposes of this item and will have the effect of a vote against the proposal.

### **Could other matters be decided at the Annual Meeting?**

At the time this Proxy Statement went to press, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this Proxy Statement. However, if other matters should be properly presented at the meeting, the proxy holders will have the discretion to vote your shares in accordance with their best judgment.



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### **Who will tabulate the votes?**

Representatives of Broadridge Financial Solutions, Inc. will tabulate the votes and act as inspector of election. Rodney A. Nowland and Jeffrey S. Wilke have been appointed to serve as alternate inspectors of election in the event Broadridge is unable to serve.

### **Who will pay the cost of this proxy solicitation?**

The Company will pay the cost of soliciting proxies. Proxies may be solicited on our behalf by directors, officers or employees in person or by telephone, electronic transmission or facsimile transmission. We have hired The Altman Group to assist in the distribution and solicitation of proxies. We will pay The Altman Group a fee of \$8,000, plus reasonable expenses, for these services.

### **What is householding and how does it affect me?**

We have adopted a procedure approved by the Securities and Exchange Commission ( SEC ) called householding. This procedure is designed to reduce the volume of duplicate information received at your household and helps us reduce our printing and mailing costs. Under this procedure, stockholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our Notice of Annual Meeting and Proxy Statement and accompanying documents, unless one or more of these stockholders notifies us that they wish to continue receiving individual copies.

Stockholders who participate in householding will continue to receive separate proxy cards.

If you are eligible for householding, but you and other stockholders of record with whom you share an address currently receive multiple copies of the Notice of Annual Meeting and Proxy Statement and accompanying documents, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of each of these documents for your household, contact Broadridge Financial Solutions, Inc. at 1-800-542-1061 or in writing at Broadridge, Household Department, 51 Mercedes Way, Edgewood, New York 11717.

If you participate in householding and wish to receive a separate copy of this Notice of Annual Meeting and Proxy Statement and the accompanying documents, or if you do not wish to participate in householding and prefer to receive separate copies of these documents in the future, contact Broadridge as indicated above.

Beneficial owners can request information about householding from their brokers or other holders of record.

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**PROPOSAL 1. ELECTION OF DIRECTORS**

**Information Concerning Directors**

Currently, our Board of Directors consists of 14 directors in 3 classes, with 4 directors in Class I, 5 directors in Class II and 5 directors in Class III. In accordance with our amended and restated bylaws, these directors currently include:

one director, who we refer to as the Bondholder Designated Director, who was initially designated by a committee representing holders of certain previously outstanding bonds of a predecessor company (the Predecessor );

one director initially designated by an Asbestos Claimants Committee, who we refer to as the ACC Designated Director; and

one director initially designated by a Future Claimants Representative, who we refer to as the FCR Designated Director.

On our Board of Directors, Daniel K. K. Tseung is the Bondholder Designated Director, W. Howard Morris is the ACC Designated Director, and James J. McMonagle is the FCR Designated Director.

Our amended and restated bylaws provide that, until such time as the Asbestos Personal Injury Trust formed as part of the Predecessor s emergence from Chapter 11 bankruptcy proceedings in 2006 (the Asbestos PI Trust ) no longer holds shares representing at least 1% of our issued and outstanding common stock, (i) the Asbestos PI Trust has the right to nominate individuals for election as the ACC Designated Director (as designated by the Trustees Advisory Committee) or the FCR Designated Director (as designated by the Future Claimants Representative), and (ii) the Trustees Advisory Committee or the Future Claimants Representative has the right to fill any vacancy in the Board of Directors arising from the resignation, retirement, death, removal or incapacity of the ACC Designated Director or the FCR Designated Director, respectively.

The three director classes serve as follows:

the directors currently serving in Class I will hold office for a term expiring at the Annual Meeting of Stockholders in 2010;

the directors currently serving in Class II will hold office for a term expiring at the Annual Meeting of Stockholders in 2011; and

the directors currently serving in Class III will hold office for a term expiring at the Annual Meeting.

The directors in Class III whose terms expire at the Annual Meeting are: Norman P. Blake, Jr., William W. Colville, Landon Hilliard, James J. McMonagle and W. Howard Morris. The Board of Directors has nominated each of Messrs. Blake, Hilliard, McMonagle and Morris for reelection as directors at the Annual Meeting for a new term expiring at the Annual Meeting of Stockholders in 2012, upon the recommendation of the Board s Governance and Nominating Committee, which consists solely of independent directors, and in the case of Messrs. McMonagle and Morris, upon the nomination of the Asbestos PI Trust. Pursuant to the Company s Corporate Governance Guidelines, the retirement age for directors is 73. A director who has attained age 73 may continue to serve as a director until the next succeeding annual meeting of stockholders. Mr. Colville has attained retirement age and will retire at the Annual Meeting. Upon his retirement, the then current size of the Board of Directors will be reduced by one.

Your proxy will vote for each of the four nominees unless you specifically withhold authority to vote for any or all of the nominees. If any nominee is unable to serve, your proxy may vote for another nominee proposed by the Board of Directors. We do not know of any nominee of the Board of Directors who would be unable to serve as a director if elected.



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Directors will be elected by a plurality of the votes cast at the Annual Meeting. Each person elected at the Annual Meeting will serve until the Annual Meeting of Stockholders in 2012 and until his or her successor is duly elected and qualified.

**The Board of Directors recommends that you vote FOR Proposal 1 relating to the election of directors.**

*Nominees for Election as Directors in Class III For a Term Expiring at the Annual Meeting of Stockholders in 2012*

**Norman P. Blake, Jr.**, 67, formerly Chairman, President and Chief Executive Officer of Comdisco, Inc., global technology services, Rosemont, Illinois, until 2002. Director since 2006; formerly a Director of the Predecessor since 1992. A graduate of Purdue University, Mr. Blake also previously has served as Chief Executive Officer of the United States Olympic Committee; Chairman, President and Chief Executive Officer of Promus Hotel Corporation; Chairman, President and Chief Executive Officer of USF&G Corporation; Chairman, President and Chief Executive Officer of Heller International Corporation of Chicago; and Executive Vice President Financing Operations, General Electric Credit Corporation, General Electric Company. Mr. Blake is a member of the Purdue Research Foundation, Purdue University's President's Council and Dean's Advisory Council, Krannert School of Management and a member of the Board of Trustees of the Army War College Foundation. He is also a member of the Board of Directors of Keraplast Technologies, Ltd. He received his bachelor's and master's degrees from Purdue University and is the recipient of the degree of Doctor of Economics honoris causa from Purdue University, granted jointly by the Krannert School of Management and School of Liberal Arts. He has also been awarded The Ellis Island Medal of Honor.

**Landon Hilliard**, 70, Partner with Brown Brothers Harriman & Co., private bankers in New York, New York, since 1979. Director since 2006; formerly a Director of the Predecessor since 1989. A graduate of the University of Virginia, Mr. Hilliard began his career at Morgan Guaranty Trust Company of New York. He joined Brown Brothers Harriman in 1974 and became a partner in 1979. Mr. Hilliard is a Director of Norfolk Southern Corporation, Western World Insurance Company and Russell Reynolds Associates, Inc. He is also a Trustee of the Provident Loan Society of New York, a Trustee of the Jefferson Scholars Foundation at the University of Virginia, Chairman of the Network for Teaching Entrepreneurship, Director of the Virginia Environmental Endowment and Secretary of The Economic Club of New York.

**James J. McMonagle**, 65, Of Counsel at Vorys, Sater, Seymour & Pease LLP, a law firm, Cleveland, Ohio, since 2002. Director since 2007. Mr. McMonagle is Director and Chairman of the Board of Selected Family of Funds and formerly served as the Future Claimants' Representative in the Predecessor's bankruptcy case and as Senior Vice President, General Counsel and Secretary of University Hospital Health System, Inc. and University Hospitals of Cleveland. He also was a Common Pleas Court Judge of Cuyahoga County, Ohio, and an attorney in private practice. Mr. McMonagle received his J.D. from Cleveland Marshall School of Law, and B.S. and B.A. degrees from Georgetown University.



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**W. Howard Morris**, 49, Chief Investment Officer of Prairie & Tireman Capital Management, an investment partnership, since 1998 and a Lecturer at The University of Michigan-Dearborn since 2007. Director since 2007. Mr. Morris was formerly Vice President and Senior Portfolio Manager at Comerica Asset Management from 2006 to 2007, Chief Executive Officer and Emergency Financial Manager, Inkster, Michigan Public Schools, from 2002 to 2005, and Chief Financial Officer, Detroit, Michigan Public School District, from 1999 to 2000. He is a Certified Public Accountant, Chartered Financial Analyst and Personal Financial Specialist. He received an MBA from The Wharton School, University of Pennsylvania, and a BBA from Northwood University.

*Class I Class Expiring at the Annual Meeting of Stockholders in 2010*

**Ralph F. Hake**, 60, formerly Chairman and Chief Executive Officer for the Maytag Corporation, manufacturer of home and commercial appliances, from 2001 to 2006. Director since 2006. Prior to joining Maytag, Mr. Hake was Executive Vice President and CFO for Fluor Corporation, a \$10 billion California-based engineering and construction company. Mr. Hake also served for 12 years, from 1987 to 1999, in executive positions at Whirlpool Corporation. The positions held by Mr. Hake included: Senior Executive Vice President of global operations; Chief Financial Officer; President of the Whirlpool Bauknecht Appliance Group; and leader of the North American region operations for five years. Prior to joining Whirlpool, Mr. Hake served in various corporate strategic and financial positions at the Mead Corporation of Dayton, Ohio. Mr. Hake also served on the Board of Directors for the National Association of Manufacturers and was chairman of the group's taxation and economic policy group. He currently serves on the Board of Directors of ITT Corporation. He received an MBA from the University of Chicago, and a BBA degree from the University of Cincinnati.

**F. Philip Handy**, 65, CEO of Strategic Industries, a worldwide diversified service and manufacturing company, since 2001. Director since 2006. From 1968 to 1970, Mr. Handy worked at Fidelity Management and Research. He then joined Donaldson, Lufkin and Jenrette where he served as Vice President from 1970 to 1976. In 1976, he became the CEO of Combanks, a multiple bank holding company based in Orlando, Florida. In 1980, he commenced his career in the private equity business. From 1996 through 1999, Mr. Handy was managing director of Equity Group Corporate Investments, a private investment firm controlled by Sam Zell. Mr. Handy currently serves on the public Board of Directors of Anixter International, Inc. and Rewards Network, Inc. In January 2008, he was re-appointed by President George W. Bush and confirmed by the Senate to serve a second term on the National Board of Education Sciences for a three year term; he served as the vice-chairman of the Board. He earned a Bachelor of Arts in Economics, and graduated Cum Laude from Princeton University and later earned an MBA from Harvard Business School. He completed the sixth form at The Rugby School and graduated from Northfield Mount Hermon School. He also served six years in the U.S. Army Reserve and was honorably discharged in 1973.

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**Michael H. Thaman**, 45, Chairman of the Board, President and Chief Executive Officer of Owens Corning since 2007, formerly Chairman of the Board and Chief Financial Officer from 2002 to 2007. Director since 2006; formerly a Director of the Predecessor since January 2002. A graduate of Princeton University, Mr. Thaman joined Owens Corning in 1992 and held a variety of leadership positions at Owens Corning, including serving as Chief Financial Officer beginning in 2000, President of the Exterior Systems Business beginning in 1999 and President of the Engineered Pipe Systems Business beginning in 1997. Prior to joining Owens Corning, Mr. Thaman was Vice President in the New York office of Mercer Management Consulting, a strategy consulting firm. Mr. Thaman is a director of Florida Power & Light Group, Inc.

**Daniel K. K. Tseung**, 38, Managing Director at Sun Hung Kai Properties Direct Investments Ltd., the private equity division of one of Asia's largest conglomerates, since 2000. Director since 2006. Mr. Tseung previously worked at GE Equity, the private equity arm of GE Capital, and D. E. Shaw & Co. L.P. He currently serves as a director of RCN Corporation and Chinacast Education Corporation. Mr. Tseung serves as a Senior Advisor to Plainfield Asset Management, a special situations investment fund. Mr. Tseung holds a Bachelor's degree from Princeton University and a Master's degree from Harvard University.

*Class II Class Expiring at the Annual Meeting of Stockholders in 2011*

**Gaston Caperton**, 69, President and Chief Executive Officer of The College Board, a not-for-profit educational association located in New York, New York, since 1999, and former Governor of the State of West Virginia. Director since 2006; formerly a Director of the Predecessor since 1997. A graduate of the University of North Carolina, Mr. Caperton began his career in a small insurance agency, became its principal owner and Chief Operating Officer, and led the firm to become the tenth largest privately-owned insurance brokerage firm in the U.S. He also has owned a bank and mortgage banking company. Mr. Caperton was elected Governor of West Virginia in 1988 and 1992. In 1997, Mr. Caperton taught at Harvard University as a fellow at the John F. Kennedy Institute of Politics. Prior to beginning his current position in mid-1999, Mr. Caperton also taught at Columbia University, where he served as Director of the Institute on Education and Government at Teachers College. Mr. Caperton is a director of United Bankshares, Inc., Energy Corporation of America, and Prudential Financial. He was the 1996 Chair of the Democratic Governors' Association, and served on the National Governors' Association executive committee and as a member of the Intergovernmental Policy Advisory Committee on U.S. Trade. He also was Chairman of the Appalachian Regional Commission, Southern Regional Education Board, and the Southern Growth Policy Board.

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**Ann Iverson**, 65, President and Chief Executive Officer of International Link, an international consulting firm in Carefree, Arizona, since 1998. Director since 2006; formerly a Director of the Predecessor since 1996. Ms. Iverson began her career in retailing and held various buying and executive positions at retail stores in the U.S. through 1989, including Bloomingdales, Dayton Hudson, and U.S. Shoe. She then joined British Home Stores as Director of Merchandising and Operations in 1990; Mothercare plc as Chief Executive Officer in 1992; Kay- Bee Toy Stores as President and Chief Executive Officer in 1994; and Laura Ashley Holdings plc as Group Chief Executive in 1995. She also served as Chairman of the Board of Brooks Sports, Inc. from 2001 through 2004. In 1998, she founded and became President and Chief Executive Officer of International Link. Ms. Iverson is a member of the Board of Trustees of Thunderbird The School of Global Management, and a member of Financo Global Consulting.

**Joseph F. Neely**, 69, Lead Director of GoldToe Moretz, LLC, a leading manufacturer of hosiery sold under the Gold Toe brand names, in Newton, North Carolina, since 2006. Director since 2006. From 2002 to 2006, Mr. Neely served as Chief Executive Officer of Gold Toe Brands, Inc. Mr. Neely earlier served as Senior Vice President of Sara Lee Corporation responsible for their knit products, hosiery, and intimate apparel groups. He also founded Raylen Vineyards and Winery, and serves on the North Carolina Grape Council. Mr. Neely received a Masters of Business Administration degree from The Wharton School of the University of Pennsylvania and a Bachelor of Science degree from the University of South Carolina.

**W. Ann Reynolds**, 71, formerly President and Professor of Biology at The University of Alabama at Birmingham, located in Birmingham, Alabama, until 2002. Director since 2006; formerly a Director of the Predecessor since 1993. A graduate of Emporia State University and the University of Iowa, where she earned a Ph.D. degree, Dr. Reynolds previously served as Chancellor of the City University of New York and as Chancellor of the California State University System. In prior years, she was Provost of the Ohio State University and Professor of Anatomy and Vice Chancellor for Research at the University of Illinois at the Medical Center. Dr. Reynolds is a director of Humana, Inc., Abbott Laboratories, Invitrogen Corporation, and the News-Gazette, Champaign, Illinois.

**Robert B. Smith, Jr.**, 72, Director of the Virginia Environmental Endowment, a nonprofit, funded, grant making corporation dedicated to improving the environment, since 1996. Mr. Smith is also a Manager of Kentucky River Properties LLC, a land holding company whose primary business is leasing coal properties, since 2006. Director since 2006; formerly a Director of the Predecessor since 2004. A graduate of the University of North Carolina and the University of North Carolina Law School, Mr. Smith's previous experience included serving as Trustee of the Dalkon Shield Claimants Trust, a public interest trust of \$3 billion created by the Federal Bankruptcy Court to compensate those damaged by the Dalkon Shield, and as Vice President for Government Relations of the Pharmaceutical Manufacturers Association. His prior experience also included various positions related to the U.S. Senate, including: Chief Counsel and Staff Director, U.S. Senate Government Operations Committee; Chief Counsel, U.S. Senate Subcommittee on Revision and Codification of the Laws; Chief Legislative Assistant, Senator Sam J. Ervin, Jr.; Special Counsel, U.S. Senate Antitrust and Monopoly Subcommittee; and Counsel, U.S. Senate Subcommittee on Constitutional Rights.

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### **Governance Information**

#### **Corporate Governance Guidelines**

Our Board of Directors has adopted Corporate Governance Guidelines which, in conjunction with our certificate of incorporation, bylaws and Board committee charters, form the framework for our corporate governance. The Corporate Governance Guidelines are published on our website at <http://www.owenscorning.com> and will be made available in print upon request by any stockholder to the Secretary of the Company.

#### **Executive Sessions of Directors**

According to our Corporate Governance Guidelines, executive sessions or meetings of non-management directors without management present must be held regularly (at least three times a year) and at least one meeting must include only independent directors. Currently, all of our non-management directors are independent. In 2008, the non-management directors met in executive session six times.

#### **Lead Independent Director**

The independent directors on our Board of Directors have elected a non-management director ( Lead Independent Director ) to serve in a lead capacity to coordinate the activities of the other non-management directors and to perform such other duties and responsibilities as the Board of Directors may determine. Landon Hilliard was elected to serve as Lead Independent Director effective June 21, 2007 and was reelected effective June 17, 2009.

The responsibilities of the Lead Independent Director, as provided in the Charter of Lead Independent Director for Owens Corning, include:

presiding at meetings of the Board in the absence of, or upon the request of, the Chairman;

serving as a designated member of the Executive Committee;

presiding over all executive meetings of non-management directors and independent directors and reporting to the Board, as appropriate, concerning such meetings;

reviewing Board meeting agendas in collaboration with the Chairman and recommending matters for the Board to consider and information to be provided to the Board;

serving as a liaison and supplemental channel of communication between the non-management/independent directors and the Chairman without inhibiting direct communication between the Chairman and other directors;

serving as the principal liaison for consultation and communication between the non-management/independent directors and stockholders;

advising the Chairman concerning the retention of advisors and consultants who report directly to the Board.

The Charter of Lead Independent Director for Owens Corning is available on our website at <http://www.owenscorning.com>.

#### **Communications with Directors**

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Stockholders and other interested parties may communicate with the Lead Independent Director or any other non-management directors regarding the Company by sending an email to [non-managementdirectors@owenscorning.com](mailto:non-managementdirectors@owenscorning.com). All such communications are promptly reviewed by the Vice

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President, Audit and the Director, Corporate Law for evaluation and appropriate follow-up/resolution. The Board of Directors has determined that communications determined to be advertisements, or other types of Spam or Junk messages, unrelated to the duties or responsibilities of the Board, should be discarded without further action. A summary of all other communications is reported semi-annually to the non-management directors. Communications involving fraud or serious misconduct by directors or executive officers are immediately reported to the Lead Independent Director. Complaints regarding business conduct policies, corporate governance matters, accounting controls or auditing are managed and reported in accordance with Owens Corning's existing audit committee complaint policy or business conduct complaint procedure, as appropriate.

## **Director Qualification Standards**

Pursuant to New York Stock Exchange listing standards, our Board of Directors has adopted a formal set of categorical Director Qualification Standards with respect to the determination of director independence, which either meet or exceed the independence requirements of the New York Stock Exchange corporate governance listing standards. In accordance with our Standards, to be considered independent a director must be determined to have no material relationship with the Company other than as a director. The Standards specify the criteria by which the independence of our directors will be determined, including strict guidelines for directors and their immediate families with respect to past employment or affiliation with the Company or its independent registered public accounting firm. The full text of our Director Qualification Standards is included as Annex A to this Notice of Annual Meeting and Proxy Statement.

## **Director Independence**

With the assistance of legal counsel to the Company, the Governance and Nominating Committee reviewed the applicable legal standards for director and Board Committee independence, our Director Qualification Standards, and the criteria applied to determine audit committee financial expert status. The Committee also reviewed reports of the answers to annual questionnaires completed by each of the independent directors and of transactions with director affiliated entities. On the basis of this review, the Governance and Nominating Committee delivered reports and recommendations to the Board of Directors and the Board made its independence and audit committee financial expert determinations based upon the Committee's reports and recommendations.

The Board of Directors has determined that current directors Norman P. Blake, Jr., Gaston Caperton, William W. Colville, Ralph F. Hake, F. Philip Handy, Landon Hilliard, Ann Iverson, James J. McMonagle, W. Howard Morris, Joseph F. Neely, W. Ann Reynolds, Robert B. Smith, Jr. and Daniel K. K. Tseung are independent under the standards set forth in our Director Qualification Standards. The Board of Directors also has determined that all of the directors serving on the Audit, Compensation, and Governance and Nominating Committees are independent and satisfy relevant requirements of the SEC, the New York Stock Exchange, Owens Corning and the respective charters for the members of such Committees. The Board of Directors also determined that former director David J. Lyon met the above standards for independence during the time that he served as a director.

In reaching the above determinations of independence, the Board of Directors considered the following:

The information disclosed below under the heading, Compensation Committee Interlocks and Insider Participation with respect to Mr. Hilliard;

The information disclosed below under the heading, Compensation Committee Interlocks and Insider Participation with respect to Mr. McMonagle;

Mr. Morris is the ACC Designated Director;

Mr. Lyon was a Bondholder Designated Director and was a vice president at D. E. Shaw & Co. L.P.; and

Mr. Tseung is a Bondholder Designated Director.



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### **Owens Corning Policies on Business Ethics and Conduct**

All of our employees, including our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, are required to abide by Owens Corning's Code of Business Conduct Policy to ensure that our business is conducted in a consistently legal and ethical manner. This policy forms the foundation of a comprehensive process that includes compliance with all corporate policies and procedures, an open relationship among colleagues that contributes to good business conduct, and the high integrity level of our employees. Our policies and procedures cover all areas of professional conduct, including employment policies, conflicts of interest, intellectual property and the protection of confidential information, as well as strict adherence to all laws and regulations applicable to the conduct of our business.

The Company also has adopted an Ethics Policy for Chief Executive and Senior Financial Officers that applies to our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer ( Senior Financial Officers ), that provides, among other things, that Senior Financial Officers must comply with all laws, rules and regulations that govern the conduct of the Company's business and that no Senior Financial Officer may participate in a transaction or otherwise act in a manner that creates or appears to create a conflict of interest unless the facts and circumstances are disclosed to and approved by the Governance and Nominating Committee.

Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of Owens Corning's Code of Business Conduct Policy. The Sarbanes-Oxley Act of 2002 requires audit committees to have procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. We have such procedures in place.

### **Directors' Code of Conduct**

The members of our Board of Directors are required to comply with a Directors' Code of Conduct (the Code ). The Code is intended to focus the Board and the individual directors on areas of ethical risk, help directors recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and foster a culture of honesty and accountability. The Code covers all areas of professional conduct relating to service on the Owens Corning Board, including conflicts of interest, unfair or unethical use of corporate opportunities, strict protection of confidential information, compliance with all applicable laws and regulations and oversight of ethics and compliance by employees of the Company.

The full texts of our Code of Business Conduct Policy, Ethics Policy for Chief Executive and Senior Financial Officers and Directors' Code of Conduct are published on our website at <http://www.owenscorning.com> and will be made available in print upon request by any stockholder to the Secretary of the Company.

### **Director Retirement Age**

Pursuant to the Company's Corporate Governance Guidelines, effective January 1, 2009 the retirement age for directors is 73. A director who has attained age 73 may continue to serve as a director until the next succeeding annual meeting of stockholders.

### **Board and Committee Membership**

Our business, property and affairs are managed under the direction of our Board of Directors. Members of our Board are kept informed of our business through discussions with our Chief Executive Officer, Chief Financial Officer and other officers, by reviewing materials provided to them, by visiting our offices and plants, and by participating in meetings of the Board and its Committees.



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Board members are expected to attend our Annual Meetings of Stockholders, unless an emergency prevents them from doing so. Each of our directors was present at the 2008 Annual Meeting of Stockholders.

During 2008, the Board of Directors met seven times. Each of our directors attended at least 75 percent of the meetings of the Board and Board Committees on which he or she served in 2008.

The table below provides current membership and 2008 meeting information for each of the Board Committees.

Name	Audit	Compensation	Governance and Nominating	Executive	Finance
Mr. Blake	C		X	X	
Mr. Caperton		X		X	C
Mr. Colville			X		X
Mr. Hake	X	C		X	
Mr. Handy		X			X
Mr. Hilliard (1)				X	
Ms. Iverson	X	X			
Mr. McMonagle		X			X
Mr. Morris	X		X		
Mr. Neely	X	X			
Dr. Reynolds	X		C	X	
Mr. Smith			X		X
Mr. Thaman				C	
Mr. Tseung	X		X		
2008 Meetings	11	7	3	0	7

C = Committee Chairman      X = Committee Member

(1) Mr. Hilliard is Lead Independent Director and has a standing invitation to attend any Committee meeting.

Each of the standing Committees of our Board of Directors acts pursuant to a charter that has been approved by our Board. These charters are updated periodically and can be found on the Company's website at <http://www.owenscorning.com> and will be made available in print upon request by any stockholder to the Secretary of the Company.

**The Audit Committee**

The Audit Committee is responsible for assisting the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company, including:

assisting the Board's oversight of:

the integrity of the Company's financial statements,

the Company's compliance with legal and regulatory requirements,

the Company's independent registered public accounting firm's qualifications and independence, and

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the performance of the independent registered public accounting firm and the Company's internal audit function; and preparing the audit committee report required by the rules of the SEC.

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The Board of Directors has determined that each member of the Audit Committee is an audit committee financial expert for purposes of the SEC's rules.

The Audit Committee met eleven times in 2008.

## **The Compensation Committee**

**Responsibilities.** The Compensation Committee is responsible for oversight of the Company's compensation of executives, including authority to determine the compensation of the Executive Officers, and for producing an annual report on executive compensation in accordance with applicable rules and regulations. The Compensation Committee may delegate power and authority to subcommittees of the Compensation Committee as it deems appropriate. However, the Compensation Committee may not delegate to a subcommittee any power or authority required by any law, regulation or listing standard required to be exercised by the Compensation Committee as a whole. The Compensation Committee has the sole authority to retain or terminate a compensation consultant to assist the Compensation Committee in carrying out its responsibilities, including sole authority to approve the consultant's fees and other retention terms. The consultant's fees will be paid by the Company.

In overseeing the Company's policies concerning executive compensation for officers and directors, the Compensation Committee:

reviews at least annually the goals and objectives of the Company's plans, and amends or recommends that the Board amend, these goal and objectives if the Compensation Committee deems it appropriate;

reviews at least annually the Company's executive officer compensation plans in light of the Company's goals and objectives with respect to the plans, and, if the Compensation Committee deems it appropriate, adopts or recommends to the Board the adoption of new, or the amendment of existing, executive compensation plans;

evaluates annually the performance of the Chief Executive Officer in light of the goals and objectives of the Company's executive compensation plans and, either alone as a committee or together with the other independent directors, sets the Chief Executive Officer's compensation level based on this evaluation;

approves the pay structure, salaries and incentive payments of all other executive officers of the Company, as well as the funding level of the Company's annual and long-term incentive plans; and

reviews and approves any severance or termination arrangements to be made with any executive officer of the Company.

The Compensation Committee also reviews the Company's executive compensation programs on a continuing basis to determine that they are properly integrated and that payments and benefits are reasonably related to executive and Company performance and operate in a manner consistent with that contemplated when the programs were established.

The Compensation Committee met seven times in 2008.

**Compensation Consultant.** The Executive Compensation group in the Company's Corporate Human Resources Department supports the Compensation Committee in its work. In addition, the Compensation Committee has authority to engage the services of outside advisors, experts and others to assist the Compensation Committee.

The Compensation Committee has engaged the services of Towers Perrin as independent outside compensation consultants to advise the Compensation Committee on all matters related to Chief Executive Officer and other executive, as well as director, compensation. Specifically, Towers Perrin provides relevant market data and trend information, advice, alternatives and recommendations to the Compensation Committee.



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***Compensation Committee Interlocks and Insider Participation.*** The Compensation Committee presently consists of Ralph F. Hake (Chairman), Gaston Caperton, F. Philip Handy, Ann Iverson, James J. McMonagle and Joseph F. Neely.

Mr. Hilliard is a partner of Brown Brothers Harriman & Co. ( BBH ), a private banking firm. During 2006, BBH acted as one of the investment managers for the Fibreboard Settlement Trust, which held certain assets that were available to fund asbestos-related liabilities of Fibreboard Corporation (a former subsidiary of the Predecessor) and was distributed pursuant to the Predecessor's plan of reorganization. During 2006, BBH was paid fees of approximately \$843,000 from the Trust for these services. In addition, BBH served as the custodian and investment advisor of certain escrow accounts funded by the Predecessor's excess insurance carriers. During 2006, BBH earned fees of approximately \$146,000 for these services.

Mr. McMonagle served as a Future Claimants' Representative from October 31, 2006 until June 20, 2007. In addition, he served as the Legal Representative for the class of future asbestos claimants appointed by the bankruptcy court in the Predecessor's Chapter 11 bankruptcy proceedings. In that capacity, Mr. McMonagle, who joined our Board of Directors in January 2007, received fees during 2006 of approximately \$490,000. The New York Stock Exchange has confirmed to us that receipt of such fees should not be considered in evaluating Mr. McMonagle's independence as a director of the Company.

None of the members of the Compensation Committee during 2008 or as of the date of this Proxy Statement is or has been an officer or employee of the Company and no executive officer of the Company served on the compensation committee or board of any company that employed any member of the Company's Compensation Committee or Board of Directors.

## **The Governance and Nominating Committee**

***Responsibilities.*** The Governance and Nominating Committee is responsible for:

identifying and recommending to the Board individuals qualified to serve as directors and on committees of the Board;

advising the Board with respect to Board composition, procedures and committees;

advising the Board with respect to the corporate governance principles applicable to the Company; and

overseeing the evaluation of the Board and management.

***Director Qualifications.*** Nominees for director are 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.

***Consideration of Director Candidates Recommended by Stockholders.*** The Governance and Nominating Committee is authorized to use any methods it deems appropriate for identifying candidates for Board membership, including recommendations from current Board members, outside search firms and stockholders. The Governance and Nominating Committee does not have a formal policy with respect to the consideration of director candidates recommended by stockholders. However, its practice is to consider those candidates on the same basis and in the same manner as it considers recommendations from other sources. Such recommendations should be submitted to the non-management directors and should include information about the background and qualifications of the candidate.

The Governance and Nominating Committee met three times in 2008.

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### **The Executive Committee**

The Executive Committee has the authority to act for the Board between meetings of the Board of Directors. The Executive Committee did not meet in 2008.

### **The Finance Committee**

The Finance Committee is responsible for exercising oversight responsibility with respect to the Company's material and strategic financial matters, including those related to investment policies and strategies, merger and acquisition transactions, financings, and capital structure, and for advising Company management and the Board with respect to such matters. The Finance Committee met seven times in 2008.

### **Litigation**

On September 1, 2006, various members of the Investment Review Committee of the Predecessor were named as defendants in a lawsuit captioned *Brown v. Owens Corning Investment Review Committee, et al.*, in the United States District Court for the Northern District of Ohio (Western Division). Neither the Company nor the Predecessor is named in the lawsuit but such individuals would have a contingent indemnification claim against the Predecessor. The suit, brought by former employees of the Predecessor, was brought under ERISA alleging that the defendants breached their fiduciary duties to certain pension benefit plans and to class members in connection with the investments in a company common stock fund of the Predecessor. A motion to dismiss was filed on behalf of the defendants on March 5, 2007. Subsequently, the court converted the Motion to Dismiss to a Motion for Summary Judgment. On March 31, 2008, the court denied the defendants' Motion for Summary Judgment. On April 15, 2008, the defendants filed a Motion for Reconsideration. On December 24, 2008, the court granted the defendants' Motion for Reconsideration and dismissed the action. On January 9, 2009, the plaintiffs filed a Motion to Amend Judgment. On February 6, 2009, the defendants filed an Opposition to Plaintiff's Motion to Amend Opinion and Order of Judgment. On June 3, 2009, the plaintiffs filed a Notice of Appeal in the United States Court of Appeals for the Sixth Circuit.

Certain of the defendants in the lawsuit described above are officers or directors of the Company.

### **Certain Transactions with Related Persons**

Information concerning certain relationships and transactions involving Landon Hilliard and James J. McMonagle, directors of the Company, is contained above, under the heading "Compensation Committee Interlocks and Insider Participation."

### **Review of Transactions with Related Persons**

The Company has various written policies in place governing actual or potential conflicts of interest by directors, officers, employees, and members of their immediate families.

The Company has a Directors' Code of Conduct that provides, among other things, that a director who has an actual or potential conflict of interest:

must disclose the existence and nature of such actual or potential conflict to the Chairman of the Board and the Chairman of the Governance and Nominating Committee; and

may proceed with the transaction only after receiving approval from the Governance and Nominating Committee.

The transaction described above involving Mr. Hilliard was not subject to review and approval under the Directors' Code of Conduct because it came into existence prior to the adoption of such Code. The transaction described above involving Mr. McMonagle was not subject to review and approval under the Directors' Code of Conduct because it pre-dated Mr. McMonagle's service as a director and was approved by the bankruptcy court.

**Table of Contents****Executive Officers of Owens Corning (as of October 28, 2009)**

The name, age and business experience during the past five years of Owens Corning's executive officers as of October 28, 2009 are set forth below. Each executive officer holds office until his or her successor is elected and qualified or until his or her earlier resignation, retirement or removal. All those listed have been employees of Owens Corning or the Predecessor during the past five years except as indicated. Unless otherwise noted, all positions provided below refer to positions held with the Predecessor for periods through October 31, 2006, and with Owens Corning for periods thereafter.

<b>Name and Age</b>	<b>Position*</b>
Karel K. Czanderna (53)	Group President, Building Materials since August 2008; formerly Vice President, North America Cooking Products & Outdoor Kitchens Businesses, Whirlpool Corporation.
Charles E. Dana (54)	Group President, Composite Solutions since September 2008; formerly Vice President and President, Composite Solutions Business.
David L. Johns (50)	Senior Vice President and Chief Supply Chain and Information Technology Officer since April 2001.
Stephen K. Krull (44)	Senior Vice President, General Counsel and Secretary since February 2003.
Mark W. Mayer (52)	Vice President and Chief Accounting Officer since December 2007; formerly Vice President Corporate Accounting and External Reporting.
Duncan J. Palmer (44)	Senior Vice President and Chief Financial Officer since September 2007; formerly Vice-President, Upstream Commercial Finance for Shell International Exploration and Production BV (2007) and Vice-President Finance Global Lubricants for the Royal Dutch Shell Group of Companies.
Daniel T. Smith (44)	Senior Vice President, Human Resources since September 2009; formerly Executive Vice President/Chief Administrative Officer, Borders Group, Inc. (2009), Executive Vice President, Human Resources, Borders Group, Inc. (2006), and Senior Vice President, Human Resources, Borders Group, Inc.
Michael H. Thaman (45)	President and Chief Executive Officer since December 2007 and also Chairman of the Board since April 2002; formerly also Chief Financial Officer until September 2007. Director since 2006; formerly Director of the Predecessor since January 2002.

\* Information in parentheses indicates year during the past five years in which service in position began. The last position listed for each individual represents the position held by such individual at the beginning of the five year period.

**Table of Contents****Security Ownership of Certain Beneficial Owners and Management**

The following table contains information, as of October 15, 2009 unless otherwise indicated, about the beneficial ownership of Owens Corning's common stock for:

each stockholder known by us to own beneficially 5% or more of our common stock;

each of our directors;

each of the officers included in our Summary Compensation Table; and

all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and, except as otherwise indicated by footnote, the number of shares and percentage ownership indicated in the following table is based on 127,832,344 outstanding shares of Owens Corning common stock. Shares of Owens Corning common stock obtainable upon the exercise of warrants are deemed to be outstanding and to be beneficially owned by the entity or person holding such warrants for the purpose of computing the percentage ownership of such entity or person but are not treated as outstanding for the purpose of computing the number of shares owned and percentage ownership of any other entity or person. Except as indicated by footnote and subject to community property laws where applicable, to our knowledge, the persons named in the table below will have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

	Beneficial Ownership	
	Number of Shares	Percent of Total
<b>5% Stockholders, Officers and Directors</b>		
<b>Beneficial Owners of 5% or More of Our Common Stock</b>		
Owens Corning/Fibreboard Asbestos Personal Injury Trust	28,200,000(1)(2)	22.1%
Wayzata Investment Partners LLC	19,324,614(3)	15.1%
FMR LLC	19,309,517(4)	15.1%
Entities affiliated with Harbinger Capital Partners Special Situations Fund, L.P.	12,088,723(5)	8.8%
<b>Directors and Executive Officers</b>		
Norman P. Blake, Jr.	59,972(6)(7)	*
Gaston Caperton	18,438(6)(7)(8)	*
William W. Colville	17,737(6)(7)	*
Ralph F. Hake	24,219(6)(7)	*
F. Philip Handy	21,749(6)(7)	*
Landon Hilliard	32,784(6)(7)(8)	*
Ann Iverson	23,046(6)(7)(8)(9)	*
James J. McMonagle	42,276(6)(7)	*
W. Howard Morris	38,185(6)(7)(10)	*
Joseph F. Neely	22,398(6)(7)	*
W. Ann Reynolds	19,260(6)(7)(11)	*
Robert B. Smith, Jr.	17,737(6)(7)	*
Michael H. Thaman	751,647(6)(8)(12)	*
Daniel K. K. Tseung	18,141(7)(13)	*
Sheree L. Bargabos	158,599(6)(8)(12)	*
Charles E. Dana	199,979(6)(12)	*
David L. Johns	153,171(6)(8)(12)	*
Stephen K. Krull	170,039(6)(12)	*
Duncan J. Palmer	129,069(6)	*



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Executive officers and directors as a group (21 persons)

1,865,392(6)(7)(8)

\*

\* Represents less than 1%

- (1) According to a Schedule 13D dated July 2, 2007, the Asbestos PI Trust, the PI Trust Advisory Committee and the Future Claimants Representative may be deemed to be a part of a group of persons (as determined in accordance with Section 13(d) of the Exchange Act and the rules promulgated thereunder) and, therefore,

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- the PI Trust Advisory Committee and the Future Claimants Representative may also be deemed to be the beneficial owners of the 28,200,000 shares of common stock reported herein as beneficially owned by the Asbestos PI Trust, individually and as a group. Notwithstanding the foregoing, the PI Trust Advisory Committee and the Future Claimants Representative expressly disclaim beneficial ownership of such shares. The Asbestos PI Trust's principal office is located at 1100 North Market Street, Wilmington, Delaware 19890-1625. The principal office of the PI Trust Advisory Committee is located at c/o Caplin & Drysdale, Chartered, One Thomas Circle, N.W., Suite 1100, Washington, D.C. 20005-5802. The Future Claimants Representative's address is c/o Peter J. Solomon Company, 520 Madison Avenue, New York, New York 10022.
- (2) The Asbestos PI Trust (acting through its Trustees), the PI Trust Advisory Committee (acting through its members) and the Future Claimants Representative may be deemed to share the power to vote the 28,200,000 shares of common stock solely due to the consent rights of the PI Trust Advisory Committee and the Future Claimants Representative under the Asbestos PI Trust's agreement with respect to the manner in which the Asbestos PI Trust (a) votes such shares exclusively for the purpose of electing members of our board of directors, and (b) votes for any revision to our corporate charter and bylaws, which affects the rights of the Asbestos PI Trust. Neither the PI Trust Advisory Committee nor the Future Claimants Representative have any other power to vote or direct the vote of such shares and neither the PI Trust Advisory Committee nor the Future Claimants Representative have any power to dispose or direct the disposition of the 28,200,000 shares of our common stock.
- (3) According to a Schedule 13G/A filed on January 23, 2009, as of December 31, 2008 Wayzata Investment Partners LLC ( Wayzata ) has shared voting power and shared dispositive power in respect of these shares. The address for Wayzata is 701 East Lake Street, Suite 300, Wayzata, MN 55391.
- (4) According to a Schedule 13G/A filed jointly by FMR LLC and Edward C. Johnson 3d on February 17, 2009, as of December 31, 2008 Fidelity Management & Research Company ( Fidelity ), 82 Devonshire Street, Boston, Massachusetts 02109, a wholly-owned subsidiary of FMR LLC, is the beneficial owner of 18,815,115 shares as a result of acting as investment adviser to various investment companies (the Funds ). The number of shares of common stock of Owens Corning owned by the investment companies at December 31, 2007 included 600,000 shares of common stock resulting from the assumed conversion of 600,000 shares of OWENS CORNING WT A11 10/31/13. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, and the Funds each has sole power to dispose of the 18,815,115 shares owned by the Funds. Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds' Boards of Trustees. Pyramis Global Advisors, LLC ( PGALLC ), an indirect wholly-owned subsidiary of FMR LLC, is the beneficial owner of 169,860 shares as a result of its serving as investment adviser to institutional accounts, non-U.S. mutual funds, or investment companies registered under Section 8 of the Investment Company Act of 1940 owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of PGALLC, each has sole dispositive power over 169,860 shares and sole power to vote or to direct the voting of 169,860 shares of Common Stock owned by the institutional accounts or funds advised by PGALLC as reported above. Pyramis Global Advisors Trust Company ( PGATC ), an indirect wholly-owned subsidiary of FMR LLC, is the beneficial owner of 300,000 shares as a result of its serving as investment manager of institutional accounts owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of Pyramis Global Advisors Trust Company, each has sole dispositive power over 300,000 shares and sole power to vote or to direct the voting of 300,000 shares of common stock owned by the institutional accounts managed by PGATC as reported above. Fidelity International Limited ( FIL ), Pembroke Hall, 42 Crow Lane, Hamilton, Bermuda, and various foreign-based subsidiaries provide investment advisory and management services to a number of non-U.S. investment companies and certain institutional investors. FIL is the beneficial owner of 24,542 shares.
- (5) Consists of (a) 3,689,741 shares of common stock held by Harbinger Capital Partners Special Situations Fund, L. P. ( Special Situations Fund ) (including 1,588,166 shares obtainable on exercise of warrants) and (b) 8,398,982 shares of common stock obtainable on exercise of warrants held by Harbinger Capital Partners Master Fund I, Ltd. ( Master Fund ). The securities held by Special Situations may be deemed to be indirectly beneficially owned by the following: Harbinger Capital Partners Special Situations GP, LLC ( HCPSS ),

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Harbinger Holdings, LLC and Philip Falcone. HCPSS is the general partner of the Special Situations Fund. Philip Falcone is the portfolio manager of the Special Situations Fund. The securities held by Master Fund may be deemed to be indirectly beneficially owned by the following: Harbinger Capital Partners LLC, Harbinger Holdings, LLC and Philip Falcone, the portfolio manager of the Master Fund. The address for Harbinger Capital Partners Special Situations Fund, L.P., Harbinger Capital Partners Special Situations GP, LLC, Harbinger Capital Partners LLC, Harbinger Holdings, LLC and Philip Falcone is 555 Madison Avenue, 16th Floor, New York, New York 10022. The address for Harbinger Capital Partners Master Fund I, Ltd. is c/o International Fund Services (Ireland) Limited, Third Floor, Bishop's Square, Redmond's Hill, Dublin 2, Ireland.

- (6) Includes restricted shares over which there is voting power, but no investment power, as follows: Mr. Blake, 8,149; Mr. Caperton, 8,149; Mr. Colville, 8,149; Mr. Hake, 8,149; Mr. Handy, 8,149; Mr. Hilliard, 8,149; Ms. Iverson, 8,149; Mr. McMonagle, 8,149; Mr. Morris, 8,149; Mr. Neely, 8,149; Dr. Reynolds, 8,149; Mr. Smith, 8,149; Mr. Thaman, 540,912; Ms. Bargabos, 81,527; Mr. Dana, 121,729; Mr. Johns, 78,583; Mr. Krull, 89,468; Mr. Palmer, 123,069 and all executive officers and directors as a group (21 persons), 1,147,943.
- (7) Includes deferred stock units over which there is currently no investment or voting power, as follows: Mr. Blake, 19,573; Mr. Caperton, 10,218; Mr. Colville, 9,588; Mr. Hake, 11,070; Mr. Handy, 13,600; Mr. Hilliard, 23,996; Ms. Iverson, 10,355; Mr. McMonagle, 10,027; Mr. Morris, 10,036; Mr. Neely, 14,249; Dr. Reynolds, 10,554; Mr. Smith, 9,588; Mr. Tseung, 9,992; and all executive officers and directors as a group, 162,846.
- (8) Includes shares obtainable upon the exercise of warrants, as follows: Mr. Caperton, 71; Mr. Hilliard, 639; Ms. Iverson, 142; Mr. Thaman, 1,560; Ms. Bargabos, 397; Mr. Johns, 488; and all executive officers and directors as a group (21 persons), 3,457.
- (9) Includes 400 shares obtainable by family member's trust as to which beneficial interest is disclaimed by Ms. Iverson.
- (10) Includes 20,000 shares owned by The Prairie & Tireman Group, LLC as to which Mr. Morris disclaims beneficial ownership except to the extent of his pecuniary interest.
- (11) Includes 557 shares obtainable upon the exercise of warrants, including 99 shares obtainable by family members as to which beneficial interest is disclaimed by Dr. Reynolds.
- (12) Includes shares which are not owned but are unissued shares subject to exercise of options, or which will be subject to exercise of options under Owens Corning benefit plans within 60 days after October 15, 2009, as follows: Ms. Bargabos, 70,000; Mr. Dana, 70,000; Mr. Johns, 70,000; Mr. Krull, 70,000; Mr. Thaman, 150,000; and all executive officers and directors as a group (21 persons), 370,000.
- (13) Includes 8,149 restricted stock units over which there is no investment or voting power.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 and SEC regulations require Owens Corning's directors and executive officers and greater than ten percent stockholders to file reports of ownership on Form 3 and changes in ownership on Forms 4 or 5 with the SEC. Owens Corning undertakes to file such forms on behalf of our current reporting directors and executive officers pursuant to a power of attorney given to certain attorneys-in-fact. Reporting directors, executive officers and ten percent stockholders are also required by SEC rules to furnish Owens Corning with copies of all Section 16(a) reports they file.

Based solely on its review of copies of such reports received or written representations from such directors, executive officers and ten percent stockholders, Owens Corning believes that all Section 16(a) filing requirements applicable to its directors, executive officers and ten percent stockholders were complied with during fiscal year 2008.

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**Executive Compensation**

**COMPENSATION DISCUSSION AND ANALYSIS**

In this section we provide information, discussion and analysis of our compensation programs for our Chief Executive Officer, Chief Financial Officer and the other named executive officers for 2008 (collectively, the Executive Officers ).

**Introduction**

As a global leader in high performance glass composites and building materials, we must employ highly talented individuals to build and grow our market-leading businesses and maximize financial results. Consequently, we have designed our compensation and benefit programs to attract and retain highly qualified employees and to engage our employees to deliver the performance and financial returns that will drive stockholder value.

Detail regarding actual 2008 compensation and the specific amounts of such compensation can be found in the section below entitled *Executive Officer Compensation*.

**Objectives of Our Compensation Programs Our Philosophy**

The Compensation Committee of our Board of Directors (the Committee ) is comprised entirely of independent directors and has responsibility for approving the compensation arrangements for our Executive Officers. The Committee acts pursuant to a charter that has been approved by our Board of Directors (the Board ). The charter is updated periodically and can be found on the Company s website at: <http://www.owenscorning.com>.

In 2008, the Committee retained Towers Perrin (the Consultant ) as its independent compensation consultant. Specifically, Towers Perrin provided relevant market data and trend information, advice, alternatives and recommendations to the Committee with regard to the compensation of Executive Officers. The Consultant is retained and engaged by the Committee, and the Committee is responsible for directing and reviewing the Consultant s work.

The compensation programs provided for our Executive Officers are designed to attract, retain and reward talented executives who contribute to our long-term success by building value for our stockholders. They are organized around four fundamental principles.

*1. Our Compensation is Performance-Based*

Total compensation for the Executive Officers, including base salary, annual incentives and equity awards, is generally targeted at the median of our competitive marketplace for executive talent. The Committee also believes that compensation decisions require judgment and should reflect Company and individual performance, in addition to market pay levels and trends. The Committee maintains the flexibility and discretion to establish individual Executive Officer s target compensation levels above or below market median practices as experience, performance and contribution warrant.

The Committee utilizes a peer group of 15 companies in assessing the competitiveness of executive compensation and the appropriateness of compensation program design. These companies are either in the building materials industry, serve related markets, or use manufacturing processes similar to Owens Corning, and have size (measured in annual net sales, market capitalization or number of employees) or complexity comparable to Owens Corning. This peer group is reviewed regularly by the Committee to ensure the relevance of the companies to which we compare ourselves.

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Our current peer group is comprised of the following companies:

Armstrong World Industries	Owens-Illinois
Ball Corporation	Eagle Materials
Black & Decker	PPG Industries
Lennox International	Sherwin-Williams
Masco	Stanley Works
Mohawk Industries	Temple-Inland
Louisiana Pacific	USG

While compensation data from the peer group serves as our primary reference, we supplement this information with data from compensation surveys covering general industry companies of similar size based on annual net sales. This additional data, compiled by our Consultant, enhances our knowledge of trends and market practices.

Both our Corporate Incentive Plan ( CIP ), which pays annual incentives based on Company performance over a one-year period, and our Long-Term Incentive Program ( LTIP ), which pays incentives based on Company performance over a three-year period, are designed to provide incentive pay to the Executive Officers at levels that correspond to whether the Company-wide performance goals set by the Committee pursuant to those plans are attained. Our philosophy is to provide clearly defined financial incentives to motivate our leaders to deliver superior results which will drive stockholder value. Further detail with regard to the specific goals and results that the incentive programs are designed to reward is described below.

The maximum award opportunities for our Executive Officers under the CIP range from 1.3 to 2.3 times base salary. The Committee utilizes negative discretion (see *Tax Deductibility of Pay* below) to align incentive payments with individual performance and generally targets awards at 50% of each Executive Officer's maximum award opportunity. Target awards under the LTIP range from 2.1 to 3.8 times base salary. The ranges reflect participation levels determined for each Executive Officer in these plans. The participation levels for each of our Executive Officers are based on their specific positions, responsibilities, accountabilities and impact within the Company, and the market analysis discussed above. Such target participation levels are also vetted against the participation levels of similarly situated executive officers at peer companies.

Accordingly, the compensation structure for our Executive Officers (base salary and participation in our CIP and LTIP) is generally determined by reference to similar positions at companies within our peer group. Because our incentive plans are performance-based, whether the participation levels of Executive Officers in our incentive plans actually translate into pay at, above, or below this targeted structure is in large part determined by the Company's performance and by the Committee's assessment of each Executive Officer's individual performance.

### *2. Our Compensation is Aligned with Stockholder Interests*

We believe that total compensation should be driven by those business results that are best aligned with long-term stockholder value. The Committee selects funding criteria for the CIP and LTIP that it believes will drive enterprise value and are correlated to stockholder return. Since the Company's emergence from bankruptcy, the Committee, consistent with our focus on stockholder value and market practices of peer companies, has eliminated the cash-based incentive plan arrangements and converted to an equity-based long-term incentive program.

### *3. Our Compensation Programs Position Us to Compete for the Best Executive Talent*

We believe that stockholders benefit when we can attract and retain talented executives. We accomplish this with compensation packages that are competitive, fair and appropriately reward outstanding performance. Our

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executive compensation program, while heavily weighted toward performance-based incentive plans, is designed to deliver total compensation at the median of our peer group when the Company meets its performance goals. However, our Executive Officers can receive incentive compensation above or below the median to the extent that the Company either exceeds or does not meet performance goals. To ensure that our programs remain market competitive, we benchmark our plans against the compensation programs of our peer companies with assistance from the Consultant.

### *4. Our Compensation Programs Should Be Recognized as Challenging but Fair*

We intend to create and maintain compensation programs that will be recognized as challenging, but fair, both internally and externally. We will accomplish this by comparing the total compensation that is provided to our Executive Officers to:

- (i) the targeted compensation structure of similar executive officers at our peer companies (to measure external fairness);
- (ii) the actual compensation received by, and the corresponding results delivered by, similar executive officers at our peer companies (to measure external fairness);
- (iii) our other senior leaders at Owens Corning (to measure internal fairness); and
- (iv) the total compensation that the Committee, in its exercise of judgment after reviewing results achieved and impact on stockholders, believes is appropriate (to ensure overall fairness to the Executive Officers and stockholders).

### **The Elements of Our Compensation Program**

The Committee emphasizes managing the Executive Officers' total compensation. While each element is important, it is the total compensation of our Executive Officers that should correspond to their individual performance, the business results of the Company and value created for stockholders. The three main elements of our executive compensation program are base salary, the CIP and the LTIP, which utilizes a substantial performance-based equity compensation component. Executive Officers are also provided with benefits and perquisites, which comprise a relatively small portion of total compensation. The compensation policies and programs described herein, unless otherwise noted, are applied materially consistently with respect to all Executive Officers.

#### *Base Salary*

Base salary levels for Executive Officers for any given year are generally reviewed by the Committee at its meeting in February. Adjustments in base salary on a year-over-year basis are dependent on the Committee's assessment of Company and individual performance, while taking into account all elements of Executive Officer total compensation. When adjusting Executive Officer salaries, the Committee is mindful of its overall goal to keep base salaries for our Executive Officers near the median or 50<sup>th</sup> percentile of companies in our peer group. The proportional amount of total compensation that is provided in the form of base salary is substantially less, assuming performance levels are met, than the amount that is provided in the form of awards under our CIP and LTIP, each of which is described below.

The Committee determines the CEO's base salary based on a review of market data, time in position and individual and Company performance. In addition, the Committee considers the overall economic environment and business dynamics. For the remaining Executive Officers, the CEO makes recommendations to the Committee for its approval. The CEO makes recommendations based on several key factors for each Executive Officer, including:

the scope of responsibility and impact on the Company's aggregate results;

the officer's overall individual performance as evaluated by the CEO;



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competitive salary levels;

the manner in which the officer interacts with and elevates the performance of the leadership team as a whole; and

the manner in which the officer demonstrates our Company's values and sets the tone at the top.

In addition, when an Executive Officer is recruited from outside Owens Corning, the package necessary to attract candidates also plays a role in determining base salary and total compensation. The Committee considers the recommendations made by the CEO along with each of the factors described above and uses its judgment to make the final determination and approval of Executive Officer salaries in a manner which is consistent with the compensation philosophy, needs and interests of the Company.

*Annual Incentives*

Annual incentives are delivered through the CIP. The general amount of funding under the CIP available for all awards for the year (CIP funding) is determined on the basis of the achievement of company-wide goals set for a single year, and individuals' awards are determined based upon a discretionary assessment of individual performance. The Committee assesses the individual performance of the CEO, and reviews and approves the CEO's assessment of individual performance of the other Executive Officers in determining CIP amounts. Awards are paid in the form of a lump-sum cash payment, unless deferred pursuant to the Deferred Compensation Plan as described below.

At the beginning of each year, the Committee selects performance objectives, or funding criteria, that are used to determine the overall incentive pool for the Company. For 2008, the Committee selected specific levels of adjusted earnings from continuing operations before interest and taxes (Adjusted EBIT as defined in Management's Discussion and Analysis) and quarterly change in working capital as the relevant performance objectives/funding criteria.

Funding of the CIP can range, on the basis of Company performance, from Threshold Funding (zero CIP funding), to Target Funding (the target CIP funding established by the Committee), to Maximum Funding (two times Target Funding). For Company performance falling between the performance levels associated with Threshold Funding and Target Funding or with Target Funding and Maximum Funding, CIP funding would fall proportionately between the corresponding funding levels. For example, for Company performance falling two-thirds of the way between the performance levels associated with Threshold Funding and Target Funding, the resulting CIP funding would fall two-thirds of the way between Threshold Funding and Target Funding. Following the determination of the Company's performance and corresponding CIP funding level, an assessment of individual performance then determines an Executive Officer's actual incentive award under the CIP, as described more fully below.

When establishing Threshold, Target and Maximum CIP funding levels for 2008, the Committee used a variety of guiding principles, including:

Executive Officers should receive total compensation at the median levels, provided they deliver the results and the business objectives called for in the Board-approved Operations Plan (a comprehensive strategic business plan for the Company) for the year.

Target CIP Funding (the funding required for salaried employees to attain total compensation at the median) should correspond with the performance and results necessary to achieve the Board-approved Operations Plan.

Whether Target Funding can be attained is a function of the degree of difficulty associated with the Operations Plan. Based on consideration and assessment of the Company's performance history and the current business climate and competitive environment in the industry, the Committee believed the 2008 Operations Plan had a significant degree of difficulty.



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Threshold Funding should be set so that it is frequently attained, with the mindset that as the CIP funds, it will create a pool from which the Company's best performing employees can be rewarded for delivering desired business results.

CIP funding between Threshold Funding and Target Funding will create an available pool from which the best performing employees can receive awards, but is insufficient to compensate all salaried employees at the targeted median, which the Committee believes is appropriate for a performance-based incentive plan.

Maximum Funding is also determined based on the Committee's view of the degree of difficulty of the Operations Plan—the more difficult the Operations Plan and, therefore, the Target Funding, is to achieve, the less incremental performance (above target performance) is required to reach Maximum Funding.

Maximum Funding should be set so that it is rarely attained, with the mindset that it requires Company performance to be significantly higher than the Operations Plan to warrant CIP funding at or near Maximum.

CIP funding between Target Funding and Maximum Funding should reflect a level of performance that distinguishes the Company and its leaders, and translates into increased stockholder value.

When setting Threshold Funding, Target Funding and Maximum Funding levels for the CIP as noted above, the Committee strives to match desired business outcomes with incentive pay so that salaried employees, including the Executive Officers, are paid:

total compensation at the median when they deliver performance and business outcomes necessary to attain the Operating Plan;

in the top quartile (above the 75<sup>th</sup> percentile) when they deliver top quartile performance, which is performance in excess of the planned target outcome; and

in the third/bottom quartile when they deliver performance and business outcomes below the Operating Plan.

The Committee retains discretion to reduce funding or not pay CIP compensation even if the relevant performance targets are met. In 2008, CIP funding was based upon Adjusted EBIT (75% weighting) and the achievement of quarterly working capital goals (25% weighting). The funding targets for the Adjusted EBIT portion of the CIP pool were as follows:

<b>Corporate Incentive Plan</b>	<b>Threshold Funding</b>	<b>Target Funding</b>	<b>Maximum Funding</b>
Adjusted EBIT (75% weight)	\$ 165MM	\$ 265MM	\$ 365MM

Working capital performance was assessed versus the quarterly change in working capital objectives. The table below summarizes each quarter's Entry, Target and Maximum performance criteria, as well as actual 2008 performance and funding.

**Quarterly Change in Working Capital (\$MM)**

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	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Entry</b>	-\$ 210	-\$ 88	\$ 62	\$ 120
<b>Target</b>	-\$ 175	-\$ 53	\$ 97	\$ 155
<b>Maximum</b>	-\$ 140	-\$ 18	\$132	\$ 190
<b>Actual Performance</b>	-\$ 115	-\$ 79	-\$ 21	\$ 190
<b>Actual Quarterly Funding</b>	200%	26%	0%	198%

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Each quarter's performance was weighted equally. The working capital component of the Corporate Incentive Plan was funded at 106% of Target.

Adjusted EBIT in 2008 was \$290 million and therefore the Adjusted EBIT portion of the CIP pool funded at 125% of Target Funding. Working capital performance was measured versus the Company's quarterly operating plan and funded at 106% of Target Funding. The overall CIP funding in 2008 was therefore 120% of Target Funding. The Committee believes that the Company's financial and operational performance in 2008 was strong in an extraordinarily challenging business environment.

Once overall funding of the CIP is determined, actual awards are determined for Executive Officers based on their individual performance. To reinforce our performance culture, individual awards can range from 0% to 200% of each Executive Officer's target award opportunity. The Committee utilizes negative discretion in determining actual awards. Factors considered in assessing individual performance include: the financial performance of individual business units, achievement of pre-determined strategic objectives and progress towards people development. Individual performance is based on a discretionary holistic assessment of the Executive Officer's overall performance. There are no definitive pre-identified criteria for the assessment of individual performance, but some of the factors considered are described herein. The Committee determines the CEO's individual award based upon its assessment of the CEO's performance for the year. For the other Executive Officers, the assessment is made by the CEO for each Executive Officer on an individual basis and reviewed and approved by the Committee. When assessing individual performance, the considerations by the CEO and the Committee include those referenced above when determining base salary, as well as a comparison among Executive Officers to determine their relative contributions to the Company's business results with the goal being to differentiate awards based on performance. The Committee received recommendations from the CEO, assessed a performance evaluation for each of the Executive Officers and applied its judgment consistent with the factors described to review and approve the CIP payouts for each Executive Officer for 2008. The specific award amounts received by each of the Executive Officers for 2008 are reflected in the Summary Compensation Table below.

### *Long-Term Incentives*

We believe long-term incentive opportunities should align Executive Officer behaviors and results with key enterprise drivers and the interests of stockholders over an extended period of time.

*Long-Term Incentive Program ( LTIP )*. Beginning in 2007, our long-term incentive program was re-designed into an equity-based program that continued to make use of performance goals over a three-year period. The LTIP uses overlapping three-year performance cycles, with a new cycle beginning each year.

For the three-year performance period commencing in 2008, the LTIP consisted of grants under the 2006 Stock Plan using two separate components: (1) Restricted Stock whereby vesting occurs and restrictions lapse at the completion of the three-year period (employees in certain foreign jurisdictions receive Restricted Stock Units); and (2) Performance Stock Units ( PSUs ) whereby vesting occurs at the completion of the three-year performance period and participants receive a settlement of their individual awards based on the Company's performance against pre-established performance criteria. PSUs are settled half in cash (in an amount that is tied to the value of the Company's common stock) and half in shares of Company common stock. This mix provides an increasing ongoing stake in the Company with each performance cycle, while also providing a cash payment at the completion of each cycle that reflects value added to the Company as a whole. The performance criteria used to determine the number of PSUs ultimately received by the participants are Earnings Per Share (weighted at 50%) and specific corporate objectives targeting various areas of Company performance (weighted at 10% each), as follows:

sales growth through the residential re-insulation market in North America;

capital efficiency in our composites group, as measured by cumulative return on capital;

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increased operating margin in our residential roofing business;

manufacturing excellence, improved safety and employee engagement measured by the reduction of our Recordable Incident Rate; and

achievement of specified Energy Intensity Reduction goals.

Prior years long-term incentive awards utilized only cash incentive and provided an opportunity to receive a cash incentive payment at the completion of a three year performance period. The performance objectives/funding criteria for the performance period beginning in 2006 and ending in 2008 was based on the Company's Return On Net Assets ( RONA ) and Cumulative Earnings Before Interest, Taxes, Depreciation and Amortization ( EBITDA ).

Payouts are calculated based on the Company's performance against the performance targets established for each performance period. For the 2006-2008 performance period, neither the RONA or EBITDA threshold performance objectives were met, and therefore no LTIP awards were earned. The table below summarizes the performance objectives established at the beginning of the performance period.

	<b>Threshold Funding</b>	<b>Target Funding</b>	<b>Maximum Funding</b>
<b>2006-2008 LTIP</b>			
Three- year average RONA	15.0%	17.5%	19.5%
Cumulative EBITDA	\$ 2.25 billion	\$ 2.775 billion	\$ 3.0 billion

*Timing of Equity Awards.* The Company does not have any program, plan or practice to time equity grants in coordination with the release of material, non-public information. Annual awards of restricted stock and PSUs are generally granted on the date of the Committee's annual February meeting. The Company may also grant equity awards to newly-hired or promoted executives, effective on the start or promotion date.

*Stock Ownership Guidelines.* Effective January 1, 2007, the Committee established stock ownership guidelines for our Officers and Directors. These guidelines are designed to require our Officers, including Executive Officers to increase their equity stake in Owens Corning, and thereby more closely link their interests with those of our stockholders. These stock ownership guidelines provide that within five years of the effective date of this guideline or of becoming an Executive Officer, each Executive Officer must own (not including unexercised stock options) shares of our common stock or vested stock units with a value of three to five times their base salary, depending on their position.

*Perquisites*

Our Executive Officers receive nominal perquisites which have an aggregate value of less than \$10,000.

Management and the Committee review any perquisites provided to Executive Officers on a regular basis, to ensure that they continue to be appropriate. As a result of the most recent review, the Committee determined that the value of existing perquisites were nominal, and decided to eliminate them altogether for simplicity.

*Deferred Compensation Plan*

Beginning in 2007, we implemented a deferred compensation plan which allows officers, including the Executive Officers, to defer receipt of some or all of their cash incentive awards under the CIP and LTIP. Currently, base salary is not eligible to be deferred under this plan. Deferred amounts are credited with earnings or losses based on the rate of return of specified mutual funds and/or Owens Corning stock. We do not match amounts that are deferred by participants. The deferred compensation plan is not funded, and participants have an unsecured commitment from us to pay the amounts due under the plan. When such payments become distributable, the cash will be distributed from our general assets.

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We provide this benefit in an effort to maximize the tax efficiency of our compensation program. We believe that provision of this benefit is important as a retention and recruitment tool as many of the companies with which we compete for executive talent provide similar plans to their executive employees.

### *Post-Termination Compensation*

*Severance Agreements.* We have entered into severance agreements with our officers, including the Executive Officers. These agreements were approved by the Committee. The severance agreements were adopted for the purpose of providing for payments and other benefits if the officer's employment terminates for a qualifying event or circumstance, such as being terminated without cause as this term is defined in the severance agreements. We believe that these agreements are important to recruiting and retaining our officers, as many of the companies with which we compete for executive talent have similar agreements in place for their executive employees. Based on practices among peer companies and consistent with the interests and needs of the Company, the Committee determined an appropriate level of severance payments and the circumstances that should trigger such payments. Therefore, the severance agreements with the Executive Officers provide, under certain termination scenarios, for the payment of an amount equal to two times base salary and annual incentive awards plus continuation of health insurance coverage for a maximum period of two years and, for certain Executive Officers, reimbursement with respect to any excise taxes that may be imposed under Section 280G of the Internal Revenue Code (this is evaluated annually and our analysis indicates that no such taxes are applicable to the current level of severance). The severance agreements provide for payments upon a change in control only if the individual is also terminated for reasons other than cause in connection with the change in control. Payments under the severance agreements are made in cash and are paid, depending on the terms of the individual executive's agreement, either in the form of a one-time lump-sum payment or in the same manner as the regular payroll over a 24 month period. Health care coverage provided under the severance agreements is provided in kind. Additional specific information regarding potential payments under these severance agreements is found under the heading *Potential Payments upon Termination or Change-in-Control*.

*Pension Plan and Supplemental Pension Plan.* Our pension plan is a funded, tax-qualified, noncontributory defined-benefit cash balance pension plan that covers certain employees, including the Executive Officers. Generally, the pension plan establishes a notional account into which a benefit equal to 4% of the participant's annual base salary plus CIP award is credited. Employees vest in their pension plan benefit upon completion of three years of service. This notional account earns interest based on five-year Treasury bills, and, if vested, is paid when the participant's employment with the Company comes to an end, provided required vesting provisions are reached. The amount of annual earnings that may be considered in calculating benefits under the pension plan is limited by law.

We also have a supplemental pension plan (the *Supplemental Plan*) for which certain officers of the Company are eligible to participate, including the Executive Officers. This unfunded plan is paid out of our general assets and provides a benefit substantially equal to the difference between the amount that would have been payable under the pension plan, in the absence of legislation limiting pension benefits and earnings that may be considered in calculating pension benefits, and the amount actually payable under the pension plan.

The specific pension arrangements of the Executive Officers may differ to the extent they are longer-term employees who were part of the group of salaried employees whose traditional pension plan was frozen as of December 31, 2000. Such longer-term employees may have benefits calculated differently than those hired after December 31, 2000. Each Executive Officer's pension benefit is quantified in the Pension Benefits Table below.

*Savings Plan or 401(k) Plan.* We have a Section 401(k) Savings Plan (the *Savings Plan*) for our salaried employees in which the Executive Officers may participate. It is a tax-qualified plan in which participating employees may contribute a portion of their base salaries and CIP into their Savings Plan accounts, subject to applicable IRS limitations. In addition, we match an amount equal to one dollar for each dollar contributed by participating employees, up to a maximum of five percent of their regular earnings. Amounts held in Savings Plan accounts may not be withdrawn prior to the employee's termination of employment, subject to certain IRS exceptions.

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We maintain the Savings Plan for our employees, including our Executive Officers, because we want to encourage our employees to save some percentage of their cash compensation for their eventual retirement. The Savings Plan permits employees to make such savings in a tax efficient manner.

### **Tax Deductibility of Pay**

Section 162(m) of the Internal Revenue Code of 1986, as amended (the Tax Code), places a limit of \$1 million on the amount of compensation we may deduct in any one year with respect to any covered employee under Section 162(m).

There is an exception to the \$1 million limitation for performance-based compensation meeting certain requirements. Awards pursuant to our CIP and LTIP, together with performance stock and stock option grants are intended to qualify as performance-based compensation meeting those requirements so that they are fully tax deductible. Restricted stock and restricted stock units are not considered performance-based under Section 162(m) of the Tax Code, and should they ever exceed \$1 million when combined with base salary, they will not be tax deductible by the Company.

To maintain flexibility in compensating Executive Officers, the Committee desires to retain both positive and negative discretion so that when evaluating an Executive Officer's performance it may increase or decrease incentive awards. Because Section 162(m) restricts the Committee to negative discretion, it generally uses higher target incentive participation levels and then exercises the appropriate negative discretion.

### **Disclosure of Specific Incentive Targets**

With respect to both the CIP and LTIP, detail on the specific financial performance targets under these criteria for performance periods completed during the reporting period has been disclosed above. However, specific performance targets for ongoing and future performance periods is not disclosed because they are substantially based on the prospective strategic operations plans and corporate objectives of the Company, and disclosure of these prospective specific performance targets is not material to an understanding of our Executive Officer compensation for 2008. Such performance goals do not have a material impact on the compensation actually received in or attributable to the 2008 reported period. As described above, and as evidenced by the targets and outcomes described for the completed performance periods for the incentive compensation plans, the performance targets selected have a degree of difficulty which the Committee considers to be challenging but achievable. The Committee establishes the goals at the beginning of the performance period at levels that reflect our internal, confidential operations plan. These goals are within the ranges of what we have publicly disclosed for completed performance periods, and accordingly require a high level of financial performance in the context of the current business climate and over the performance periods to be achieved.

### **Compensation Committee Report:**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis appearing in this Proxy Statement with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

By Compensation Committee:

Ralph F. Hake, Chairman

Gaston Caperton

F. Philip Handy

Ann Iverson

James J. McMonagle

Joseph F. Neely

**Table of Contents****EXECUTIVE OFFICER COMPENSATION**

The following tables provide information on total compensation paid to the Chief Executive Officer, the Chief Financial Officer and certain other officers of Owens Corning (the Executive Officers ).

**Summary Compensation Table**

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Stock Awards (\$)(1) (e)	Option Awards (\$)(1) (f)	Non-Equity Incentive Plan Compensation (\$)(2) (g)	Change in Pension Value and Non- qualified Deferred Compensation Earnings (\$)(3) (h)	All Other Compensation (\$)(4) (i)	Total (\$) (j)
Michael H. Thaman President, Chief Executive Officer and Chairman of the Board	2008	950,000		4,058,752	549,500	1,611,438	55,000	11,500	7,263,190
	2007	711,458		1,075,184	549,500	2,370,111	44,000	11,250	4,761,503
	2006	650,000		125,000	91,583	3,902,210	72,000	44,388	4,885,181
Duncan J. Palmer Senior Vice President and Chief Financial Officer	2008	500,000		776,267	184,380	455,000	14,000	11,500	1,941,147
	2007	145,833		214,824	54,407	18,603	4,000	7,292	444,959
Charles E. Dana Vice President and President, Composites Solutions Business	2008	447,501		834,626	256,433	455,000	91,000	11,500	2,096,060
	2007	430,627		454,458	256,433	757,429	67,000	11,250	1,977,197
	2006	393,752	217,496	58,333	42,739	1,125,273	407,000	37,368	2,281,961
Sheree L. Bargabos President, Roofing and Asphalt	2008	367,501		651,519	256,433	450,997	45,000	11,500	1,782,950
	2007	365,313		434,874	256,433	632,657		11,250	1,700,527
Stephen K. Krull Senior Vice President, General Counsel & Secretary	2008	364,167		673,780	256,433	300,000	19,000	11,500	1,624,880
	2007								
David L. Johns Senior Vice President and Chief Supply Chain and Information Technology Officer	2008	367,500		663,352	256,433	303,685	58,000	11,500	1,660,470
	2007	367,500		434,874	256,433	702,311	44,000	11,250	1,816,368
	2006	367,500	228,288	58,333	42,739	1,153,323	80,000	39,838	1,970,021

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- (1) The amounts reflected in these columns consist of restricted stock, non-qualified stock options and equity-based performance stock units granted under the Owens Corning 2006 Stock Plan. The amounts shown reflect the dollar amounts recognized for financial statement reporting purposes in accordance with Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* ( FAS 123(R) ), disregarding the estimate of forfeitures related to service-based vesting conditions. This valuation method values restricted stock, non-qualified stock options and equity-based performance stock units granted in 2008 and in prior years. See Note 19 to the Consolidated Financial Statements included in our 2008 Annual Report for a discussion of the relevant assumptions made in such valuation. For further information on the 2008 awards, see the 2008 Grants of Plan-Based Awards table below.
- (2) The amounts reflected in this column generally consist of amounts received under the CIP and the LTIP for the reporting period. Awards under the 2008 CIP to each Executive Officer are as reflected in the table above at column (g). The LTIP for the three-year performance period beginning on January 1, 2006, and ending on December 31, 2008, was not funded so no award amounts under the LTIP were received for the period.
- (3) The amounts reflected in this column consist of the increase in actuarial value of each Executive Officer's pension benefits in 2008. The total accrued pension value is reflected in the Pension Benefits table below.
- (4) For 2008, the amount shown represents matching contributions made by the Company on qualified savings plan contributions. For 2008, the Executive Officers received perquisites which had an aggregate value of less than \$10,000.



**Table of Contents****2008 Grants of Plan-Based Awards Table**

The following table provides information regarding threshold, target and maximum award levels under the various compensation and incentive plans applicable to the Executive Officers. The narrative that follows describes such programs as reflected in the table. Actual awards for the 2008 CIP are reflected in Column (g) of the Summary Compensation Table and footnotes to the table. Funding and individual award amounts are determined as described in the narrative to these tables.

Name (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			Grant Date Fair Value of Stock and Option Awards (\$) (l)
		Threshold (\$) (c)	Target (\$) (d)	Maximum (\$) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	
Michael H. Thaman	2008-2010 LTIP (1) 2008 CIP (1)		784,192 1,092,500	1,568,383 2,185,000	90,658	135,987	181,316	3,479,454
Duncan J. Palmer	2008-2010 LTIP (1) 2008 CIP (1)		260,676 325,000	521,353 650,000	30,136	45,204	60,272	1,156,620
Charles E. Dana	2008-2010 LTIP (1) 2008 CIP (1)		238,948 290,876	477,895 581,752	37,624	51,436	65,248	1,252,109
Sheree L. Bargabos	2008-2010 LTIP (1) 2008 CIP (1)		152,058 238,876	304,117 477,752	17,579	26,368	35,158	674,682
Stephen K. Krull	2008-2010 LTIP (1) 2008 CIP (1)		173,779 236,709	347,557 473,418	20,090	30,135	40,180	771,054
David L. Johns	2008-2010 LTIP (1) 2008 CIP (1)		162,923 238,875	325,846 477,750	18,835	28,253	37,670	722,887

- (1) Reflects incentive opportunities under the CIP and LTIP for performance periods commencing in 2008. Actual award amounts for the 2008 CIP are reflected in Column (g) of the Summary Compensation Table and footnotes. Funding and individual award amounts are determined as described in the narrative to these tables. Incentive plans provide no payout at or below threshold funding. Incentive payments are made only where plans fund above threshold.

**Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table***Employment, Severance and Certain Other Arrangements*

During 2008, each of the Executive Officers participated in the Company's compensation and benefits programs for salaried employees as described here and reflected in the tables and accompanying footnotes. Each Executive Officer receives an annual base salary as reflected in the Summary Compensation Table above. The amount of such base salary as a component of the total compensation is established and reviewed each year by the Compensation Committee. Severance arrangements with each of the Executive Officers are as described below in the *Potential Payments Upon Termination or Change-In-Control* section of this Item.

*Annual Incentive Plan ( CIP )*

Owens Corning maintains the CIP, in which all salaried employees participate, with specific Company performance criteria adopted annually. Each of the Executive Officers is eligible to receive annual cash incentive awards based on his or her individual performance and on corporate performance against annual performance goals set by the Compensation Committee. Under the CIP for the 2008 annual performance period, the funding measures set by the Compensation Committee were based on an Adjusted Earnings Before Interest and Taxes



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( Adjusted EBIT ) as described in Management's Discussion and Analysis included in our 2008 Annual Report (weighted at 75%) and the quarterly change in working capital (weighted at 25%). Cash awards paid to the Executive Officers under the CIP for the 2008 performance period are reflected in Column (g) of the Summary Compensation Table above and the range of award opportunities under the 2008 CIP is reflected in the Plan-Based Awards Table above.

*Long-Term Incentive Program ( LTIP )*

Owens Corning maintains a LTIP applicable to certain salaried employees as selected by the Compensation Committee, including each of the Executive Officers. The plan is designed to align participant compensation with the attainment of certain longer-term business goals established by the Compensation Committee.

The plan uses three-year performance cycles, adopted annually, with payouts under the program dependent upon corporate performance against performance goals set by the Company's Compensation Committee for each cycle. The outstanding three-year cycles as of December 31, 2008 include: January 1, 2006 through December 31, 2008; January 1, 2007 through December 31, 2009; and January 1, 2008 through December 31, 2010. Awards to the Executive Officers under the LTIP for the cycle ending in 2008 would generally be reflected in Column (g) of the Summary Compensation Table. For the cycle ending in 2008, the performance thresholds were not achieved and the awards were not funded. Estimated future payouts of awards under the 2008-2010 cycle are reflected in the Plan-Based Awards Table above.

The award shown in the Plan-Based Awards Table represents the Executive Officer's opportunity to earn the amount shown in the maximum column of the table if certain maximum performance goals established by the Compensation Committee at the beginning of the performance period are attained or exceeded during the performance period. In the event these maximum performance goals are not attained, then the Executive Officers may earn the amounts shown in the target column if the target levels of performance are attained, or the amounts shown in the threshold column if the threshold levels of performance are attained. Participants will earn intermediate amounts for performance between the maximum and target levels, or between the target and threshold levels, and will earn no amounts for performance at or below the threshold level.

For the performance period commencing in 2008, the LTIP award provides an award under the Owens Corning 2006 Stock Plan in two separate components: (1) Restricted Stock Awards granted under the 2006 Stock Plan as described below: recipients vest and restrictions lapse on these restricted stock awards at the completion of the three-year performance period, based upon continued tenure during the performance period and without regard to the performance criteria; and (2) Performance Stock Units awarded under the 2006 Stock Plan as described below: recipients vest in these Performance Stock Units at the completion of the three-year performance period and receive a settlement of the award based on the performance of the Company against pre-established performance criteria. The Performance Stock Units are settled half in cash and half in Company common stock.

*2006 Stock Plan*

During 2006, the Company established the Owens Corning 2006 Stock Plan, which was approved by the bankruptcy court in connection with the Predecessor's emergence from Chapter 11. In December 2007, the Amended and Restated Owens Corning 2006 Stock Plan was approved by our stockholders. The plan provides for participation by employees, management and directors and authorizes grants of stock options, stock appreciation rights, stock awards, restricted stock awards, restricted stock units, bonus stock awards and performance stock awards.

All grants of Restricted Stock or Restricted Stock Units and Performance Stock Units, including those made as a part of the LTIP as described above are made under the 2006 Stock Plan.

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The following table sets forth information concerning unexercised options, stock that has not vested, and equity incentive plan awards for each Executive Officer outstanding at the end of 2008.

**2008 Outstanding Equity Awards at Fiscal Year-End**

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c) (1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#) (d)	Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (g) (2)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h) (3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i) (4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) (j) (3)
Michael H. Thaman		150,000		30.00	10/31/2016	391,512	6,773,158	140,846	2,436,636
Duncan J. Palmer		69,470		26.99	9/15/2017	77,669	1,343,674	50,482	873,339
Charles E. Dana		70,000		30.00	10/31/2016	80,929	1,400,072	43,746	756,806
Sheree L. Bargabos		70,000		30.00	10/31/2016	59,327	1,026,357	30,678	530,729
Stephen K. Krull		70,000		30.00	10/31/2016	61,768	1,068,586	33,054	571,834
David L. Johns		70,000		30.00	10/31/2016	60,583	1,048,086	31,934	552,458

- (1) These options vest in full on the third anniversary of their grant date, subject to accelerated vesting in the case of certain Company-approved retirements or in the event that the Company terminates the executive's employment for a reason other than cause.
- (2) These shares of restricted stock vest in full on the third anniversary of their grant date, subject to accelerated vesting in the case of death, or continued vesting in the case of certain Company-approved retirements or in the event that the Company terminates the executive's employment for a reason other than cause. Restricted stock granted to Mr. Thaman upon his appointment as President and CEO vests in 20% increments upon Company common stock closing at or above a certain price per share as follows: \$30.00, \$33.00, \$36.00, \$39.00 and \$42.00.
- (3) Market value reflects the closing price of the Company's common stock as of the last trading day of 2008.
- (4) Reflects outstanding stock-settled Performance Stock Units under the LTIP.

**Table of Contents****2008 Pension Benefits**

The following table sets forth the required information regarding pension benefits for the Executive Officers as of the year ended December 31, 2008.

<b>Name</b>	<b>Plan Name</b>	<b>Number of Years Credited Service (#)</b>	<b>Present Value of Accumulated Benefit (\$)(5)</b>	<b>Payments During 2008 Fiscal Year (\$)</b>
Michael H. Thaman	Qualified Plan (1)	16.37	88,000	
	Top-Hat Plan (2)	16.37	343,000	
	SERP (3)	N/A	N/A	
	<b>Total</b>		<b>431,000</b>	
Duncan J. Palmer	Qualified Plan (1)	1.29	10,000	
	Top-Hat Plan (2)	1.29	8,000	
	SERP (3)	N/A	N/A	
	<b>Total</b>		<b>18,000</b>	
Charles E. Dana	Qualified Plan (1)	13.13	98,000	
	Top-Hat Plan (2)	13.13	141,000	
	SERP (3) (4)	19.70	844,000	
	<b>Total</b>		<b>1,083,000</b>	
Sheree L. Bargabos	Qualified Plan (1)	31.17	289,000	
	Top-Hat Plan (2)	31.17	66,000	
	SERP (3)	N/A	N/A	
	<b>Total</b>		<b>355,000</b>	
Stephen K. Krull	Qualified Plan (1)	12.37	72,000	
	Top-Hat Plan (2)	12.37	62,000	
	SERP (3)	N/A	N/A	
	<b>Total</b>		<b>134,000</b>	
David L. Johns	Qualified Plan (1)	14.09	94,000	
	Top-Hat Plan (2)	14.09	152,000	
	SERP (3)	14.09	270,000	
	<b>Total</b>		<b>516,000</b>	

- (1) Refers to benefits under the Company's Cash Balance Plan or, if greater, under the Company's Prior Plan as discussed below.
- (2) Refers to benefits under the Company's non-qualified Supplemental Plan.
- (3) Refers to benefits under the Company's Supplemental Executive Retirement Plan.
- (4) Mr. Dana has a specific individual arrangement with Owens Corning (pursuant to a written agreement with the Company) that provides a supplemental pension benefit based on Owens Corning's pension plan formula in existence on his employment date, determined as if he had earned 1.5 years of service for each year worked, provided that he remained an Owens Corning employee for no less than 10 years following his November 1995 employment date.
- (5) These values are calculated in accordance with requirements of the Statement of Financial Accounting Standards No. 158.

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Owens Corning maintains a tax-qualified noncontributory defined benefit cash balance pension plan (the Cash Balance Plan ) covering certain salaried and hourly employees in the United States, including each of the

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Executive Officers. The Cash Balance Plan was adopted by Owens Corning in replacement of the qualified Salaried Employees Retirement Plan maintained prior to 1996, which we refer to as the Prior Plan. The prior plan provided retirement benefits primarily on the basis of age at retirement, years of service and average earnings from the highest three consecutive years of service. Under the Cash Balance Plan, each year eligible employees generally earn a benefit of 4% of such employee's covered pay. For this purpose, covered pay includes base pay and certain annual incentive compensation amounts payable during the year. Accrued benefits earn monthly interest based on the average interest rate for five-year United States treasury securities. Employees vest in the Cash Balance Plan upon completion of three years of service. Vested employees may receive their benefit under the Cash Balance Plan as a lump sum or as a monthly payment when they leave the Company.

As the Company transitioned from the Prior Plan to the current Cash Balance Plan, participating employees who were at least age 40 with 10 years of service as of December 31, 1995 became entitled to receive the greater of their benefit under the Prior Plan frozen as of December 31, 2000, or under the Cash Balance Plan.

Each Executive Officer would have been entitled to payment of their vested accrued benefit under the tax-qualified plan in the event of a termination occurring on December 31, 2008, valued as a lump-sum payable as of that date as follows: Mr. Thaman, \$128,723; Mr. Palmer, although not yet vested, would upon death or disability have an accrued benefit of \$15,645; Mr. Dana, \$122,429; Ms. Bargabos, \$360,492; Mr. Krull, \$107,540; and Mr. Johns, \$124,286.

In addition to the tax-qualified pension plan, Owens Corning maintains supplemental pension benefits as described above under the heading *Compensation Discussion & Analysis* ( CD&A ), including the Supplemental Plan that pays eligible employees leaving the Company the difference between the benefits payable under Owens Corning's tax-qualified pension plan and those benefits that would have been payable except for limitations imposed by the Internal Revenue Code. The Executive Officers participate in both the tax-qualified pension plan and the Supplemental Plan.

Each Executive Officer would have been entitled to payment of their vested accrued benefit under the Supplemental Plan in the event of a termination occurring on December 31, 2008, valued as a lump-sum payable as of that date as follows: Mr. Thaman, \$502,900; Mr. Palmer, \$11,673; Mr. Dana, \$175,667; Ms. Bargabos \$82,692; Mr. Krull \$91,636; and Mr. Johns, \$200,931.

In addition to the Supplemental Plan, Owens Corning also maintains a Supplemental Executive Retirement Plan (the SERP ) as a supplemental pension benefit covering certain employees and Named Executive Officers who join Owens Corning in mid-career. The SERP provides for a lump-sum payment following termination of employment equal to a multiple of the covered employee's Cash Balance Plan balance minus the present value of retirement benefits attributable to prior employment. Although such offsets may occur upon retirement, amounts shown in the above table do not reflect any such offset.

Each Executive Officer would have been entitled to payment of their vested accrued benefit under the SERP in the event of a termination occurring on December 31, 2008, valued as a lump-sum payable as of that date as follows: Mr. Thaman, Mr. Palmer, Ms. Bargabos and Mr. Krull do not participate in the SERP; Mr. Dana, \$1,194,686, which includes his supplemental benefit as described in the footnotes to the Pension Benefits Table above; and Mr. Johns, \$357,738.

**Table of Contents****NONQUALIFIED DEFERRED COMPENSATION**

As described in the CD&A, the Company has established a Deferred Compensation Plan, effective January 1, 2007, under which eligible officers, including the Executive Officers, are permitted to defer some or all of their cash incentive compensation. Currently, base salary is not eligible to be deferred under this plan. Deferred amounts are credited with earnings or losses based on the rate of return of specified mutual funds and/or Owens Corning stock. The Company does not contribute nor does the Company match amounts that are deferred by participants. Only one of the Executive Officers has elected to participate in this plan. Executive Officers who do not participate have been omitted from the table.

**2008 Nonqualified Deferred Compensation**

Name	Executive Contributions in Last Fiscal Year \$(b)	Registrant Contributions in Last Fiscal Year \$(c)(2)	Aggregate Earnings in Last Fiscal Year \$(d)	Aggregate Withdrawals/ Distributions \$(e)	Aggregate Balance at Last Fiscal Year End \$(f)
Duncan J. Palmer	\$ 18,244(1)		(\$ 5,563)		\$ 12,681

(1) This amount reflects the deferral of Mr. Palmer's 2007 CIP Award which was otherwise payable if not deferred during 2008. It was reflected as compensation on the Summary Compensation Table for 2007.

(2) The Company does not contribute nor does the Company match amounts deferred by participants.

**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL**

The Company has entered into certain agreements and maintains certain plans under which the Company would provide compensation to Executive Officers in the event of a termination of employment or a change in control of the Company. The payment and benefit levels disclosed in the table below are determined under the various triggering events pursuant to these agreements that both define what constitutes the triggering event and provides those payments that would be due upon the occurrence of such events.

Severance agreements with the Executive Officers provide, under certain termination scenarios as reflected in the table below, for the payment of an amount equal to two times base salary and annual incentive compensation amounts plus continuation of health insurance coverage for a maximum period of two years and, in the case of Mr. Thaman, reimbursement with respect to certain taxes if applicable to the severance payments (our analysis indicates that no such taxes are applicable to the current level of severance). The severance agreements provide for payments upon a change in control only if the individual is also terminated for reasons other than cause in connection with the change in control. Payments under the severance agreements are made in cash and are paid, depending upon the terms of the individual Executive Officer's agreement, either in the form of a one-time lump-sum payment or in the same manner as the regular payroll payments over a 24 month period. Health care coverage provided under the severance agreements is provided in-kind.

The CIP and the LTIP each contain provisions that require continued employment during the performance period in order to be eligible to receive a payout under the plans. However, for involuntary termination for reasons other than cause, or for death, disability or retirement which occurs during the performance period, the participant may receive a pro-rated award for that performance period. Under the LTIP, for uncompleted three-year performance cycles for which a participant is eligible for such a pro-rated award, the award would be paid out, if performance targets are obtained, at the time that the award would normally have been paid following the end of the cycle. CIP and LTIP are incentive programs for which payments are made in one-time, lump-sum payments of cash or, in the case of certain portions of the LTIP, settled in Company common stock.



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The Owens Corning 2006 Stock Plan provides, under certain circumstances as described above in this Item, for either continuation or acceleration of vesting of restricted stock and option awards. Vesting of the restricted stock and option awards occurs only upon a change in control or upon the death of the holder. When vested, restricted stock and option awards do not involve cash payments from the Company to the Executive Officers.

The Executive Officers are entitled, upon or following their termination, to their accrued benefits under the SERP or the Supplemental Plan arrangements as described above. Executive Officers would also be entitled to the normal vested pension benefits and other vested benefits which are generally available to all salaried employees who terminate employment with the Company under various circumstances.

Upon the occurrence of any triggering event the payment and benefit levels would be determined under the terms of the agreement. The specific definitions of the triggering events are set forth in detail in the agreements which have been filed as an exhibit to prior disclosures. In addition, severance payments are paid contingent upon confidentiality, a mutual release and an agreement not to compete. Each of the retirement payments of vested accrued benefits that would have occurred upon a termination event described herein are set forth in the narrative to the 2008 Pension Benefits Table above.

**Table of Contents****PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL TABLE**

<b>Event and Amounts</b>	<b>Michael H. Thama</b>	<b>Duncan J. Palmer</b>	<b>Charles E. Dana</b>	<b>Sheree L. Bargabo</b>	<b>Stephen K. Krull</b>	<b>David L. Johns</b>
<b>Voluntary Termination</b>						
No other payments due	\$	\$	\$	\$	\$	\$
<b>Involuntary Termination for Cause</b>						
Outplacement Services (4)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>Retirement</b>						
No other payments due	N/A	N/A	N/A	N/A	N/A	N/A
<b>Involuntary Not-For-Cause Termination</b>						
Corporate Incentive Plan (CIP)	\$ 1,311,000	\$ 390,000	\$ 349,000	\$ 287,000	\$ 284,000	\$ 287,000
Long-Term Incentive Program (LTIP) (1)						
Restricted Stock Awards (2)						
Option Awards (2)						
Performance Stock Units (3)						
Cash Severance	\$ 3,316,000	\$ 1,514,000	\$ 1,482,000	\$ 1,213,000	\$ 1,207,000	\$ 1,213,000
Health Care Continuation (4)	\$ 12,000	\$ 12,000	\$ 12,000	\$ 5,000	\$ 15,000	\$ 15,000
Outplacement Services (4)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>Termination Upon a Change-in Control</b>						
Corporate Incentive Plan (CIP)	\$ 1,311,000	\$ 390,000	\$ 349,000	\$ 287,000	\$ 284,000	\$ 287,000
Long-Term Incentive Program (LTIP) (1)	\$ 1,888,000	\$	\$ 573,000	\$ 488,000	\$ 458,000	\$ 496,000
Restricted Stock Awards (2)	\$ 6,773,000	\$ 1,344,000	\$ 1,400,000	\$ 1,026,000	\$ 1,069,000	\$ 1,048,000
Option Awards (2)	\$	\$	\$	\$	\$	\$
Performance Stock Units (3)	\$ 4,873,272	\$ 1,747,000	\$ 1,514,000	\$ 1,061,000	\$ 1,144,000	\$ 1,105,000
Cash Severance	\$ 3,316,000	\$ 1,514,000	\$ 1,482,000	\$ 1,213,000	\$ 1,207,000	\$ 1,213,000
Health Care Continuation (4)	\$ 12,000	\$ 12,000	\$ 12,000	\$ 5,000	\$ 15,000	\$ 15,000
Outplacement Services (4)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>Change-in-Control w/ No Termination</b>						
Restricted Stock Awards (2)	\$ 6,773,000	\$ 1,344,000	\$ 1,400,000	\$ 1,026,000	\$ 1,069,000	\$ 1,048,000
Option Awards (2)	\$	\$	\$	\$	\$	\$
Performance Stock Units (3)	\$ 4,873,000	\$ 1,747,000	\$ 1,514,000	\$ 1,061,000	\$ 1,144,000	\$ 1,105,000
<b>Pre-Retirement Death</b>						
Corporate Incentive Plan (CIP)	\$ 1,311,000	\$ 390,000	\$ 349,000	\$ 287,000	\$ 284,000	\$ 287,000
Long-Term Incentive Program (LTIP) (1)	\$	\$	\$	\$	\$	\$
Restricted Stock Awards (2)	\$ 3,313,000	\$ 1,344,000	\$ 1,400,000	\$ 1,026,000	\$ 1,069,000	\$ 1,048,000
Option Awards (2)	\$	\$	\$	\$	\$	\$

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- (1) These amounts reflect only the amounts due upon separation for the completed 2006-2008 LTIP performance period. Because performance targets were not achieved, the 2006-2008 LTIP was not funded and no payments were due. For the termination upon a change in control the LTIP is deemed to be funded at Target Funding. As described above, under the LTIP, although not payable upon separation, additional pro-rated payments may be due following the completion of the performance period and contingent upon whether the Company performance targets are reached for the three-year LTIP performance periods that have not yet been completed at the time of termination. For the subsequent performance periods the LTIP was made in the form of grants of restricted stock and Performance Stock Units. Assuming performance is achieved at target, the Executive Officers may become entitled to receive additional pro-rated payments upon settlement of the 2007-2009 and 2008-2010 LTIP performance periods in the form of settlement of Performance Stock Units as represented in the table and as described below.
- (2) Stock and Option awards do not forfeit upon retirement, disability, or termination for reasons other than cause, but continue to vest under the normal vesting schedule. For voluntary termination or for termination for cause occurring before vesting, these awards would be forfeited. Vesting on Stock and Option awards are only accelerated in the case of change in control or death. The value of awards at vesting is uncertain and would reflect the then current value of the Company common stock. The amounts reflected in the table are calculated based on the closing stock price as of December 31, 2008 of \$17.30.
- (3) Performance Stock Unit awards are not forfeited upon death, retirement, disability, or termination for reasons other than cause, but would vest on a pro-rata basis as of the end of the performance period and would be determined consistent with performance only at the end of the performance period. The value of awards at the end of the performance period is uncertain and would reflect the performance against the established performance targets. For voluntary termination or for termination for cause occurring before vesting, these awards would be forfeited. Vesting on Performance Stock Unit awards are only accelerated in the case of a change in control. For this table it is assumed that Performance Stock Units would pay out at maximum for a change-in-control. The amount shown includes the value of both cash settled and stock settled units.
- (4) Where eligible for such benefits, the amount includes both health care continuation coverage and/or outplacement services. The value of health care continuation is based on the Company's net plan cost and the coverage category in which the executive is enrolled; this value also assumes a typical premium increase and that the executive continues to pay the employee portion of the premium. The value of outplacement services assumes the maximum services available under the severance agreement. As a practical matter the actual value of such services is typically substantially less than the maximum.

**Table of Contents****2008 NON-EMPLOYEE DIRECTOR COMPENSATION**

The following table sets forth the compensation for 2008 of the non-employee members of the Board of the Company. Employee directors do not receive additional compensation for such service. The narrative that follows the table describes the compensation programs applicable to the non-employee directors of the Company during 2008.

Name (a)	Fees Earned or Paid in		Total (\$) (h)
	Cash (\$)(1) (b)	Stock Awards (\$)(2)(3) (c)	
Norman P. Blake Jr.		246,367	246,367
Gaston Caperton	79,950	159,621	239,571
William W. Colville	74,200	153,863	228,063
Ralph F. Hake	85,050	164,117	249,167
F. Philip Handy	1,200	231,371	232,571
Landon Hilliard		288,365	288,365
Ann Iverson	80,050	159,109	239,159
David J. Lyon (4)			
James J. McMonagle	77,200	155,088	232,288
W. Howard Morris	77,050	154,350	231,400
Joseph F. Neely	1,800	235,853	237,653
W. Ann Reynolds	81,300	160,376	241,676
Robert B. Smith, Jr.	74,200	153,863	228,063
Daniel K. K. Tseung	77,050	156,117	233,167

- (1) Includes the cash amount of the annual retainer as well as meeting and committee fees for 2008. Directors have the option to defer some or all of their cash retainer and meeting fee amounts under the Deferred Compensation Plan at the election of the individual as described herein. The amounts shown include all cash amounts of annual retainer and fees regardless of whether so deferred.
- (2) The amounts shown in this column relate to restricted stock granted as the equity component of the Directors' retainer and meeting fees under the 2006 Stock Plan. These amounts reflect the dollar amounts recognized for 2008 financial statement reporting purposes in accordance with FAS 123R, disregarding the estimate of forfeitures related to service-based vesting conditions. See Note 19 to the Consolidated Financial Statements included in our 2008 Annual Report for a discussion of the relevant assumptions made in such valuation.
- (3) During 2008 each director was entitled to quarterly payment of their retainer and meeting fees in the form elected by them prior to the beginning of the year. Directors were permitted to choose to be paid in cash or Company stock, with a 50% stock requirement. The grant date fair value of stock awards granted to each Director during 2008 was as follows: Mr. Blake \$165,000; Mr. Caperton \$78,750; Mr. Colville \$73,000; Mr. Hake \$83,250; Mr. Handy \$150,500; Mr. Hilliard \$207,500; Ms. Iverson \$78,250; Mr. Lyon (none); Mr. McMonagle \$76,000; Mr. Morris \$75,250; Mr. Neely \$155,000; Dr. Reynolds \$79,500; Mr. Smith \$73,000; and Mr. Tseung \$75,250. At year-end, the aggregate number of stock awards outstanding to each Director, including restricted stock, restricted stock units and deferred stock, were as follows: Mr. Blake 16,311; Mr. Caperton 12,038; Mr. Colville 11,744; Mr. Hake 12,262; Mr. Handy 15,591; Mr. Hilliard 18,336; Ms. Iverson 12,016; Mr. Lyon (none); Mr. McMonagle 11,898; Mr. Morris 11,863; Mr. Neely 15,790; Dr. Reynolds 12,078; Mr. Smith 11,744; and Mr. Tseung 11,863.
- (4) Director David J. Lyon disclaimed all compensation for his service on the Board during 2008.
- The Company compensates each director who is not an employee pursuant to a standard annual retainer/meeting fee arrangement. Such arrangement provides for an annual retainer, annual Chair retainer and meeting fees as approved by the Compensation Committee. Non-employee directors receive an annual board retainer of \$150,000. The Chair of the Audit Committee receives an additional annual retainer of \$15,000, and the Chairs of

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all other Board committees receive an additional annual retainer of \$10,000. The Lead Independent Director receives an additional annual retainer in the amount of \$75,000. Directors receive meeting fees of \$1,500 per meeting for attendance at each Board meeting, at each Committee meeting of which the director is a member and at each other function which the director is requested by the Company to attend. Stock compensation for annual retainer and fees may be deferred shares which will be issued to the Director upon the distribution date elected by the Director. The annual retainer and meeting fees are otherwise paid on a quarterly basis. Non-employee directors receive no perquisites.

The restricted shares described above are granted under the 2006 Stock Plan. Any additional grants of shares or options to directors will be as determined by the Committee. Each award of restricted shares will vest in its entirety on the third anniversary of the grant, subject to accelerated or continued vesting as may be determined by the Committee. Deferred shares are not issued to the Director until the distribution date as elected in writing prior to the commencement of the year. Any options issued will be issued with an exercise price at the then fair market value.

Owens Corning established a Deferred Compensation Plan, effective January 1, 2007, under which non-employee directors are permitted to defer some or all of their cash compensation for annual retainer, annual Chair retainer and meeting fees. Such deferred cash compensation will be credited to an individual account and will accrue gains or losses under notional investment funds available under the plan and as selected by the Director (the available fund options include a fund indexed to Company common stock). The Company does not contribute, nor does it match, any amounts deferred by Directors.

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**PROPOSAL 2. RATIFICATION OF THE SELECTION OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has selected PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for 2010, subject to ratification by our stockholders.

Representatives of PricewaterhouseCoopers LLP will be present at the Annual Meeting to answer questions. They also will have the opportunity to make a statement if they desire to do so.

We are asking our stockholders to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2010. Although ratification is not required by our bylaws or otherwise, the Board is submitting the selection of PricewaterhouseCoopers LLP to our stockholders for ratification because we value our stockholders' views on the Company's independent registered public accounting firm and as a matter of good corporate practice. In the event that our stockholders fail to ratify the selection, it will be considered as a direction to the Board of Directors and the Audit Committee to consider the selection of a different firm. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

**The Board of Directors recommends a vote FOR the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2010.**

**PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The aggregate fees billed and services provided by the Company's principal accountant for the years ended December 31, 2008 and 2007 are as follows:

	2008	2007
	(In thousands)	
Audit Fees (1)	\$ 6,038	\$ 6,953
Audit-Related Fees (2)	521	737
Tax Fees	545	32
All Other Fees (3)	42	12
<b>Total fees</b>	<b>\$ 7,146</b>	<b>\$ 7,734</b>

- (1) Amounts shown reflect fees for the years ended December 31, 2008 and 2007, respectively.
- (2) The fees included relate primarily to due diligence work. Amounts shown reflect fees billed in the years ended December 31, 2008 and 2007, respectively.
- (3) Amounts shown include fees related to benchmarking services and accounting research software.

It is the Company's practice that all services provided to the Company by its independent registered public accounting firm be pre-approved either by the Audit Committee or by the Chairman of the Audit Committee pursuant to authority delegated by the Audit Committee. No part of the independent registered public accounting firm services related to the Audit-Related Fees, Tax Fees, or All Other Fees listed in the table above was approved by the Audit Committee pursuant to the exemption from pre-approval provided by paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

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**AUDIT COMMITTEE REPORT:**

The Audit Committee has reviewed and discussed the audited financial statements of the Company contained in the annual report on Form 10-K with management and with PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm. The Committee has discussed with PricewaterhouseCoopers LLP the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (Codification of Statements on Auditing Standards, AU380), as adopted by the Public Company Accounting Oversight Board ( PCAOB ) in Rule 3200T. The Committee has also received the written disclosures and the letter from PricewaterhouseCoopers LLP required by the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers LLP its independence.

Based on the review and discussions referred to in the preceding paragraph, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report on Form 10-K for the year ended December 31, 2008, for filing with the Securities and Exchange Commission.

By Audit Committee:

Norman P. Blake, Jr., Chairman

Ralph F. Hake

Ann Iverson

W. Howard Morris

Joseph F. Neely

W. Ann Reynolds

Daniel K. K. Tseung

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**REQUIREMENTS, INCLUDING DEADLINES, FOR SUBMISSION OF PROXY PROPOSALS, NOMINATION OF DIRECTORS  
AND OTHER BUSINESS OF STOCKHOLDERS**

Under the rules of the SEC, if a stockholder wants us to include a proposal in our Proxy Statement and form of proxy for presentation at our 2010 Annual Meeting of Stockholders, the proposal must be received by us at our principal executive offices at One Owens Corning Parkway, Toledo, Ohio 43659 not less than 120 calendar days before the date of the Company's proxy statement released to stockholders in connection with the 2009 Annual Meeting. However, in the event that we hold our 2010 Annual Meeting of Stockholders more than 30 days before or 30 days after the one-year anniversary date of the 2009 Annual Meeting, we will disclose the new deadline by which stockholder proposals must be received under Item 5 of our earliest possible Quarterly Report on Form 10-Q or, if impracticable, by any means reasonably calculated to inform stockholders. The proposal should be sent to the attention of the Secretary of the Company.

Under our amended and restated bylaws, and as permitted by the rules of the SEC, certain procedures are provided that a stockholder must follow to nominate persons for election as directors or to introduce an item of business at an Annual Meeting of Stockholders. These procedures provide that for nominations of director nominees and/or an other item of business to be properly brought before an Annual Meeting of Stockholders, a stockholder must give timely notice of such nomination or other item of business in writing to the Secretary of the Company at our principal executive offices and such other item of business must otherwise be a proper matter for stockholder action. If you are a stockholder and desire to introduce a nomination or propose an item of business at our 2010 Annual Meeting of Stockholders, you must deliver the notice of your intention to do so:

not earlier than the 120<sup>th</sup> day and not later than the 90<sup>th</sup> day prior to the first anniversary of this year's Annual Meeting, if the date of the 2010 Annual Meeting is held within 30 days before or 60 days after the first anniversary of this year's Annual Meeting;

if the date of the 2010 Annual Meeting is more than 30 days before or more than 60 days after the first anniversary of the date of this year's Annual Meeting, not earlier than the 120<sup>th</sup> day prior to the date of the 2010 Annual Meeting and not later than the later of the 90<sup>th</sup> day prior to the date of the 2010 Annual Meeting and the 10<sup>th</sup> day following the day on which a public announcement of the date of the 2010 Annual Meeting is made by the Company;

in the event that the number of directors to be elected to the Board of Directors is increased and there is no public announcement by the Company naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of this year's Annual Meeting, only with respect to nominees for any new positions created by such increase, not later than the 10<sup>th</sup> day following the day on which such public announcement is made by the Company.

These time limits also apply in determining whether notice is timely for purposes of SEC rules relating to the exercise of discretionary voting authority. If we do not receive timely notice, or if we meet other SEC requirements, the persons named as proxies in the proxy materials relating to the meeting will use their discretion in voting at the meeting.

The Board is not aware of any matters that are expected to come before the 2009 Annual Meeting other than those referred to in this Proxy Statement. If any other matter should come before the Annual Meeting, the persons named as proxies intend to vote the proxies in accordance with their best judgment.

The chairman of the Annual Meeting may refuse to allow the transaction of any business, or to acknowledge the nomination of any person, not made in compliance with the foregoing procedures.

Whether or not you plan to attend the Annual Meeting, please vote on the Internet, by telephone or by mail.

If you vote by telephone, the call is toll-free. No postage is required for mailing in the United States if you vote by mail using the enclosed prepaid envelope.

By order of the Board of Directors,

Stephen K. Krull



Secretary

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**Table of Contents****Annex A****DIRECTOR QUALIFICATION STANDARDS**

For a Company director to be considered independent under New York Stock Exchange rules (the Rules), the Board of Directors must determine that such director does not have any direct or indirect material relationship with the Company other than as a director. The Board has established these Director Qualification Standards to assist it in determining director independence in accordance with the Rules. The Board will consider relevant facts and circumstances in making an independence determination.

- a. A director will not be considered independent if:
- (i) the director is, or has been within the last three years, employed by the Company;
  - (ii) an immediate family member of the director is, or has been within the last three years, employed by the Company as an executive officer;
  - (iii) the director has received, or an immediate family member of the director has received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service;
  - (iv) (A) the director or an immediate family member is a current partner of the firm that is the Company's internal or external auditor;
  - (B) the director is a current employee of such firm;
  - (C) the director has an immediate family member who is a current employee of such firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or
  - (D) the director or an immediate family member of the director was within the last three years (but is no longer) a partner or employee of such firm and personally worked on the Company's audit within that time;
  - (v) the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee; or
  - (vi) the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1,000,000 or two percent of such other company's consolidated gross revenues.
- b. The following commercial or charitable relationships will not be considered to be material relationships that would impair a director's independence:

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- (i) if a Company director or an immediate family member is employed (including as an executive officer) by another company that has made payments to, or received payments from, the Company for property or services in an amount which, in each of the last three fiscal years, has not exceeded the greater of \$1,000,000 or one percent of such other company's consolidated gross revenues;
  
- (ii) if a Company director or an immediate family member is employed (including as an executive officer) by another company which is indebted to the Company, or to which the Company is indebted, and the total amount of either company's indebtedness to the other at the end of the last completed fiscal year is less than one percent of the total consolidated assets of such other company; and

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- (iii) if a Company director or an immediate family member of a Company director serves as an officer, director or trustee of a charitable organization, and the Company's discretionary charitable contributions to the organization are less than one percent of that organization's total annual charitable receipts during its last completed fiscal year.
  
- c. For relationships not covered by the guidelines in subsection (b) above, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors who satisfy the independence guidelines set forth in subsections (a) and (b) above. The Board may determine that a director who has a relationship that exceeds the limits described in subsection (b) above (to the extent that any such relationship would not constitute a bar to independence under the Rules) is nonetheless independent.

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**OWENS CORNING WORLD HEADQUARTERS**

ONE OWENS CORNING PARKWAY

TOLEDO, OHIO, U.S.A. 43659

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**OWENS CORNING**

**ONE OWENS CORNING PARKWAY**

**TOLEDO, OH 43659**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions up until 11:59 p.m. EST, on December 2, 2009 (November 30, 2009 for 401(k) Plan participants). Have this card in hand when you access the website and then follow the online instructions.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to help reduce our use of paper and other resources, you can consent to receive all future Owens Corning stockholder communications electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in the future.

**VOTE BY PHONE - 1-800-690-6903**

If you live in the United States, Canada or Europe, use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. EST, on December 2, 2009 (November 30, 2009 for 401(k) Plan participants). Have this card in hand when you call and then follow the recorded instructions.

**VOTE BY MAIL**

Mark, sign and date this proxy/instruction card and return it promptly in the enclosed postage prepaid envelope to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717, so that it is received prior to the Annual Meeting on December 3, 2009 (November 30, 2009 for 401(k) Plan participants).

If you have submitted your voting instructions by telephone or the Internet there is no need for you to return this proxy/instruction card.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M17687-P85713  
**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

KEEP THIS PORTION FOR YOUR RECORDS  
 DETACH AND RETURN THIS PORTION ONLY

**OWENS CORNING**

	<b>For All</b>	<b>Withhold All</b>	<b>For All Except</b>
<b>The Board of Directors recommends that you vote FOR the following:</b>			
<b>Vote on Directors</b>	..	..	..

To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.

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1. Election of Directors

**Nominees:**

- 01) Norman P. Blake, Jr.
- 02) Landon Hilliard
- 03) James J. McMonagle
- 04) W. Howard Morris

**Vote on Proposal**

**The Board of Directors recommends that you vote FOR the following proposal:**

**For    Against    Abstain**

2. Ratification of the selection of PricewaterhouseCoopers LLP as Owens Corning's independent registered public accounting firm for 2010.

“            “            “

3. The proxies are authorized to vote, at their discretion, upon such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

For address changes and/or comments, please check this box and write them on the back where indicated.

“

Signature [PLEASE SIGN WITHIN BOX]    Date

Signature (Joint Owners)

Date

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and 2008 Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

M17688-P85713

**OWENS CORNING**

ONE OWENS CORNING PARKWAY

TOLEDO, OHIO 43659

Proxy/Instruction Card for Annual Meeting of Stockholders, December 3, 2009

As to the undersigned's stockholdings of record: The undersigned hereby appoints Landon Hilliard, W. Ann Reynolds and Michael H. Thaman as proxies, each with full power of substitution, to represent and vote as designated on the reverse side all the shares of Common Stock of Owens Corning held of record by the undersigned on October 6, 2009, at the Annual Meeting of Stockholders of Owens Corning to be held at Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019, on December 3, 2009, or any adjournment or postponement thereof.

**This proxy is solicited on behalf of the Board of Directors of Owens Corning.** This proxy when properly executed and timely received prior to the meeting will be voted in the manner directed herein by the undersigned stockholder. **If no direction is made, this proxy will be voted for the nominees named in proposal 1 and for proposal 2.** Whether or not direction is made, each of the proxies is authorized to vote in his or her discretion on such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.



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As to shares reflecting the undersigned's interest in the Owens Corning Savings Plan and/or Owens Corning Savings and Security Plan (the 401(k) Plans): The Trustee of each 401(k) Plan is directed to vote the number of shares of Common Stock of Owens Corning reflecting the undersigned's interest in each of the 401(k) Plans on October 6, 2009, and to effect that vote by executing a proxy or proxies in the form solicited by the Board of Directors of Owens Corning, as indicated on the reverse side.

**The Trustee of each 401(k) Plan will vote shares for which a proper voting instruction is not received in the same proportion as the shares for which instructions have been received for such 401(k) Plan. Voting instructions must be received by November 30, 2009.**

**Address Changes/Comments:**

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

(Continued and to be signed and dated on the reverse side)