

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

F O R M 10 - K

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the fiscal year ended December 31, 1995

Commission file number 1-5057

A Delaware Corporation	BOISE CASCADE CORPORATION 1111 West Jefferson Street P.O. Box 50 Boise, Idaho 83728-0001 (208)384-6161	I.R.S. Employer Identification No. 82-0100960
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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$2.50 par value	New York, Chicago, and Pacific Stock Exchanges
American & Foreign Power Company Inc. Debentures, 5% Series due 2030	New York Stock Exchange
Common Stock Purchase Rights	New York, Chicago, and Pacific Stock Exchanges
\$2.35 Depositary Shares, evidenced by Depositary Receipts for Series F, Cumulative Preferred Stock	New York Stock Exchange
\$1.58 Depositary Shares, evidenced by Depositary Receipts for Series G, Conversion Preferred Stock	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act:

Cumulative Preferred Stock, Series F
Conversion Preferred Stock, Series G

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to
this Form 10-K [X].

The aggregate market value of the voting stock held by non-affiliates of the
registrant, computed by reference to the price at which the stock was sold as
of the close of business on February 29, 1995: \$2,219,204,383

Indicate the number of shares outstanding of each of the registrant's classes
of common stock as of the latest practicable date.

Class	Shares Outstanding as of February 29, 1996
Common Stock, \$2.50 par value	47,812,211

Documents incorporated by reference

Listed hereunder are certain documents any portions of which are incorporated
by reference and the Parts of this Form 10-K into which such portions are
incorporated:

1. The registrant's annual report for the fiscal year ended December 31,
1995, portions of which are incorporated by reference into Parts I,
II, and IV of this Form 10-K, and
2. The registrant's definitive proxy statement dated March 6, 1996, for
use in connection with the annual meeting of shareholders to be held
on April 19, 1996, portions of which are incorporated by reference
into Part III of this Form 10-K.

BOISE CASCADE CORPORATION

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PART I

Item 1. Business

As used in this annual report, the term "Company" includes Boise Cascade Corporation and its consolidated subsidiaries and predecessors. The terms "Boise Cascade" and "Company" refer, unless the context otherwise requires, to Boise Cascade Corporation and its consolidated subsidiaries.

Boise Cascade Corporation is an integrated paper and forest products company headquartered in Boise, Idaho, with operations located primarily in the United States. The Company manufactures and distributes paper and paper products, office products, and building products and owns and manages timberland to support these operations. The Company was incorporated under the laws of Delaware in 1931 under the name Boise Payette Lumber Company of Delaware, as a successor to an Idaho corporation formed in 1913; in 1957, its name was changed to its present form.

The Company is a participant with equity affiliates in connection with certain of its businesses. The Company's principal investments in affiliates include a 30% interest in Rumford Cogeneration Company Limited Partnership, a 47% interest in Voyageur Panel, and a 25% interest in Ponderosa Fibres of Washington. (See Note 9 of the Notes to Financial Statements of the Company's 1995 Annual Report. This information is incorporated herein by this reference.)

Financial information pertaining to each of the Company's industry segments and to each of its geographic areas for the years 1995, 1994, and 1993 is presented in Note 10, "Segment Information," of the Notes to Financial Statements of the Company's 1995 Annual Report and is incorporated herein by this reference.

The Company's sales and income are affected by the industry supply of product relative to the level of demand and by changing economic conditions in the markets it serves. Demand for paper and paper products and for office products correlates closely with real growth in the gross domestic product. Paper and paper products operations are also affected by demand in international markets and by inventory levels of users of these products. The Company's building products businesses are dependent on repair-and-remodel activity, housing starts, and commercial and industrial building, which in turn are influenced by the availability and cost of mortgage funds. Declines in building activity that may occur during winter affect the Company's building products businesses. In addition, energy and some operating costs may increase at facilities affected by cold weather. However, seasonal influences are generally not significant.

The management practices followed by the Company with respect to working capital conform to those of the paper and forest products industry and common business practice in the United States.

The Company occasionally engages in acquisition discussions with other companies and makes acquisitions from time to time. It is the Company's policy to review its operations periodically and to dispose of assets which fail to meet its criteria for return on investment or which cease to warrant retention for other reasons. (See Notes 1, 6, and 9 of the Notes to Financial Statements of the Company's 1995 Annual Report. This information is incorporated herein by this reference.)

Paper and Paper Products

The products manufactured by the Company, made both from virgin and recycled fibers, include uncoated business, printing, forms, and converting papers; coated white papers for magazines, catalogs, and direct-mail advertising; newsprint; containerboard; and market pulp. These products are available for sale to the related paper markets, and certain of these products are sold through the Company's office products distribution operations. In addition, containerboard is used by the Company in the manufacture of corrugated containers.

The Company is a major North American pulp and paper producer with 7 paper mills. The total annual practical capacity of the mills was approximately 3.3 million tons at December 31, 1995. The Company's products are sold to distributors and industrial customers primarily by the Company's own sales personnel.

The Company's paper mills are supplied with pulp principally from the Company's own integrated pulp mills. Pulp mills in the Northwest manufacture chemical pulp primarily from wood waste produced as a byproduct of wood products manufacturing. Pulp mills in the Midwest, Northeast, and South manufacture chemical, thermomechanical, and groundwood pulp mainly from pulpwood logs and, to some extent, from purchased wood waste and pulp from deinked recycled fiber. Wood waste is provided by Company sawmills and plywood mills in the Northwest and, to a lesser extent, in the South, and the remainder is purchased from outside sources.

In October 1994, Rainy River Forest Products Inc. (Rainy River), the Company's former Canadian subsidiary, completed an initial public offering of units of its equity and debt securities. As a result of the offering, the Company owned 49% of the outstanding voting common shares and 60% of the total equity of Rainy River. Rainy River was accounted for on the equity method retroactive to January 1, 1994, in the Company's consolidated financial statements and its results of operations were included in "Equity in net income (loss) of affiliates." Rainy River owned and operated the

Company's former newsprint mill in Kenora, Ontario, Canada, an uncoated groundwood paper mill in Fort Frances, Ontario, Canada, and a newsprint mill in West Tacoma, Washington.

In November 1995, the Company divested its remaining interest in Rainy River through Rainy River's merger with Stone-Consolidated Corporation. At December 31, 1995, the Company holds approximately 6,600,000 shares of Stone-Consolidated Corporation's common stock representing 6.4% of its outstanding common stock and 2,800,000 shares of its redeemable preferred stock. The Company accounts for its holdings in Stone-Consolidated Corporation on the cost method. (See Note 9 of the Notes to Financial Statements of the Company's 1995 Annual Report. This information is incorporated herein by this reference.)

The Company currently manufactures corrugated containers at 7 plants, which have annual practical capacity of approximately 3.9 billion square feet. The containers produced at the Company's plants are used to package fresh fruit and vegetables, processed food, beverages, and many other industrial and consumer products. The Company sells its corrugated containers primarily through its own sales personnel. The Company is building a full-line corrugated container plant in Utah, which is scheduled for completion in mid-1996 and will replace an existing plant.

The following table sets forth sales volumes of paper and paper products for the years indicated:

Paper	1995	1994	1993	1992	1991
	(thousands of short tons)				
Uncoated free sheet	1,177	1,271	1,215	1,110	1,050
Containerboard	602	595	559	560	540
Coated papers	428	447	418	397	371
Newsprint(1)	416	415	860	831	838
Market pulp	217	212	205	260	284
Discontinued grades	-	-	299	319	319
	<u>2,840</u>	<u>2,940</u>	<u>3,556</u>	<u>3,477</u>	<u>3,402</u>

(millions of square feet)

Corrugated Containers(2)	3,114	3,237	2,961	4,715	6,478
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(1) Newsprint for 1995 and 1994 excludes production from Rainy River, which was reported on the equity method from January 1, 1994, through

November 1, 1995. On November 1, 1995, Rainy River merged with Stone-Consolidated Corporation.

- (2) In mid-1992, the Company sold 11 of its corrugated container plants.

Office Products

In April 1995, the Company's wholly owned subsidiary, Boise Cascade Office Products Corporation (BCOP), completed the initial public offering of 5,318,750 shares of common stock at a price of \$25 per share. After the offering, the Company owned 82.7% of the outstanding BCOP common stock. At December 31, 1995, the Company owned approximately 81.5% of the outstanding BCOP common stock. (See Note 6 of the Notes to Financial Statements of the Company's 1995 Annual Report. This information is incorporated herein by this reference.)

BCOP distributes a broad line of items for the office, including office and computer supplies, office and computer furniture, and photocopy paper. All of the products sold by this segment are purchased from other manufacturers or from industry wholesalers, except for copier and similar papers, which are sourced primarily from the Company's paper operations. BCOP sells these office products directly to corporate, government, and other offices nationwide and, beginning in 1996, in Canada, as well as to individuals, home offices, and small and medium-sized business offices in the United States and Great Britain.

Customers with multisite locations across the country are often serviced via national contracts that provide for consistent pricing and product offerings and, if desired, summary billings, usage reporting, and other special services. At December 31, 1995, BCOP operated 36 distribution centers. During 1995, BCOP completed or announced acquisitions of 13 office products distribution businesses. These included a national office products distributor in Canada, and office products businesses in Ohio (two businesses), Virginia, Kentucky, Idaho, New York, Missouri, Pennsylvania, Florida, Maine, Vermont, and Great Britain. BCOP's distribution centers provide next-day delivery to substantially all locations. The Company also operates four retail office supply stores in Hawaii. The Canadian acquisition was completed in February 1996 and included approximately 80 retail stores and 6 distribution centers.

The following table sets forth sales dollars for BCOP for the years indicated:

	1995	1994	1993	1992	1991
Sales (millions)	\$1,316	\$ 909	\$ 683	\$ 672(1)	\$1,039

- (1) Early in 1992, BCOP sold essentially all of its wholesale office products distribution operations, enabling them to focus on the consumer channel on a national basis. In 1991, sales of the 13 distribution centers and 1 minidistribution center that comprised the wholesale operations were approximately \$400 million.

Building Products

The Company is a major producer of lumber, plywood, and particleboard, together with a variety of specialty wood products. The Company also manufactures engineered wood products consisting of laminated veneer lumber (LVL), which is a high-strength engineered structural lumber product, and wood I-joists that incorporate the LVL technology. Most of its production is sold to independent wholesalers and dealers and through the Company's own wholesale building materials distribution outlets. The Company's wood products are used primarily in housing, industrial construction, and a variety of manufactured products. Wood products manufacturing sales for 1995, 1994, and 1993 were \$977 million, \$997 million, and \$941 million.

The following table sets forth annual practical capacities of the Company's wood products facilities as of December 31, 1995:

	Number of Mills(1)	Practical Capacity (millions)
Plywood	12	1,965 square feet (3/8" basis)
Lumber	11	725 board feet
Particleboard	1	196 square feet (3/4" basis)
Engineered Wood Products(2)(3)	1	6 cubic feet

(1) The Company closed a sawmill in Idaho in early 1995.

(2) The Company is constructing an LVL plant with 4.4 million cubic feet of annual capacity in Alexandria, Louisiana. The plant will start up in mid-1996.

(3) In 1995, the Company formed a joint venture to build an oriented strand board (OSB) plant in Barwick, Ontario, Canada. The Company owns 47% of the joint venture. The plant, with 400 million square feet of annual capacity, will begin production in 1997.

The Company operates 11 wholesale building materials distribution facilities. These operations market a wide range of building materials, including lumber, plywood, particleboard, engineered wood products, fiberboard siding, roofing, gypsum board, insulation, ceiling tile, paneling, molding, windows, doors, builders' hardware, and related products. These products are distributed to retail lumber dealers, home centers specializing in the do-it-yourself market, and industrial customers. A portion (approximately 36% in 1995) of the wood products required by the Company's Building Materials Distribution Division is provided by the Company's manufacturing facilities, and the balance are purchased from outside sources. In late 1995, the Company agreed to purchase land and buildings in Albuquerque, New Mexico, to establish a wholesale building materials distribution facility. The facility is expected to be operational in early 1996.

The following table sets forth sales volumes of wood products and sales dollars for engineered wood products and the building materials distribution business for the years indicated:

	1995	1994	1993	1992	1991
	(millions)				
Plywood (square feet - 3/8" basis)	1,865	1,894	1,760	1,788	1,621
Lumber (board feet)	711	754	760	805	815
Particleboard (square feet - 3/4" basis)	196	194	182	186	182
Engineered wood products (sales dollars)	\$ 88	\$ 82	\$ 71	\$ 38	\$ 13
Building materials distribution (sales dollars)	\$598	\$657	\$590	\$447	\$328

Timber Resources

Boise Cascade owns or controls approximately 3.1 million acres of timberland in North America. The amount of timber harvested each year by the Company from its timber resources, compared with the amount it purchases from outside sources, varies according to the price and supply of timber for sale on the open market and according to what the Company deems to be in the interest of sound management of its timberlands. During 1995, the Company's mills processed approximately 1.1 billion board feet of sawtimber and 2.0 million cords of pulpwood; 36% of the sawtimber and 37% of the pulpwood were harvested from the Company's timber resources, and the balance was acquired from various private and government sources. Approximately 75% of the 1.2 million bone-dry tons of softwood and hardwood chips consumed by the Company's Northwest pulp and paper mills in 1995 were provided from the Company's Northwest wood products manufacturing facilities as residuals from the processing of solid wood products and from a whole-log chipping facility. Of the 726 bone-dry tons of residual chips used in the South, 46% were provided by the Company's Southern wood products manufacturing facilities.

At December 31, 1995, the acreages of owned or controlled timber resources by geographic area and the approximate percentages of total fiber requirements available from the Company's respective timber resources in these areas and from the residuals from processed purchased logs are shown in the following table.

	Northwest	Midwest	New England	South	Total
	(thousands of acres)				
Fee	1,329	308	667	419	2,723
Leases and contracts	49	-	-	290	339
Total	1,378(1)	308(2)	667(2)	709(3)	3,062(4)

Approximate percentage of total fiber requirements available from: (5)

Owned and controlled timber resources	22%	22%	57%	26%	27%
Residuals from processed purchased logs	17	-	-	7	10
Total	39%	22%	57%	33%	37%

- (1) Principally sawtimber.
- (2) Principally pulpwood.
- (3) Sawtimber and pulpwood.
- (4) On December 31, 1995, the Company's inventory of merchantable sawtimber was approximately 9.0 billion board feet, and its inventory of pulpwood was approximately 15.9 million cords.
- (5) Assumes harvesting of Company-owned and controlled timber resources on a sustained timber yield basis and operation of the Company's paper and wood products manufacturing facilities at practical capacity. Percentages shown represent weighted average consumption on a cubic volume basis.

Long-term leases generally provide the Company with timber harvesting rights and carry with them the responsibility for management of the timberlands. The average remaining life of all leases and contracts is in excess of 40 years. In addition, the Company has an option to purchase approximately 203,000 acres of the timberland it currently has under leases and contracts in the South.

The Company seeks to maximize the utilization of its timberlands through efficient management so that the timberlands will provide a continuous supply of wood for future needs. Site preparation, planting, fertilizing, thinning, and logging techniques are continually improved through a variety of methods, including genetic research and computerization.

The Company assumes substantially all risks of loss from fire and other casualties on all the standing timber it owns, as do most owners of timber tracts in the U.S.

Additional information pertaining to the Company's timber resources is presented under the caption "Timber Supply" of the Financial Review of the Company's 1995 Annual Report. This information is incorporated herein by this reference.

Competition

The markets served by the Company are highly competitive, with various substantial companies operating in each. The Company competes in its markets principally through price, service, quality, and value-added products and services.

Environmental Issues

The Company's discussion of environmental issues is presented under the caption "Environmental Issues" of the Financial Review of the Company's 1995 Annual Report. This information is incorporated herein by this reference.

Employees

As of December 31, 1995, the Company and its subsidiaries had 17,820 employees, 7,445 of whom were covered under collective bargaining agreements. Major negotiations concluded for 1995, included the Company's pulp and paper mills in Rumford, Maine, and Jackson, Alabama. These facilities ratified new six-year contracts that expire in 2001.

Among the negotiations scheduled for 1996 are labor contracts covering the Company's wood products facilities in Oakdale, Louisiana; Florien, Louisiana; and Fisher, Louisiana.

Identification of Executive Officers

The information with respect to the executive officers of the registrant, which is set forth in Item 10 of this annual report on Form 10-K, is incorporated into this Part I by this reference.

Capital Investment

The Company's capital expenditures in 1995 were \$428 million, compared with \$272 million in 1994 and \$221 million in 1993. Details of 1995 spending by segment and by type are as follows:

	Quality/ Expansion	Efficiency(1)	Timber and Timberlands	Replacement, and Other Environmental,	Total
	(expressed in millions)				
Paper and paper products	\$ 84	\$ 71	\$ -	\$ 88	\$ 243
Office products(2)	81	8	-	14	103
Building products	38	14	-	17	69
Timber and timberlands	-	-	6	-	6
Other	2	-	-	5	7
Total	\$ 205	\$ 93	\$ 6	\$ 124	\$ 428

- (1) Quality and efficiency projects include quality improvements, modernization, energy, and cost-saving projects.
- (2) Capital expenditures include acquisitions made by BCOP through the issuance of common stock.

The level of capital investment in 1996 is expected to be about \$400 million, excluding acquisitions and any spending related to the new paper machine at the Jackson, Alabama, facility which is expected to be funded by a joint venture to be formed with the Brazilian pulp and paper company, Suzano de Papel e Celulose. The 1996 capital budget will be allocated to cost-saving, modernization, expansion, replacement, maintenance, environmental, and safety projects.

Energy

The paper and paper products segment is the primary energy user of the Company. Self-generated energy sources in this segment, such as wood wastes, pulping liquors, and hydroelectric power, provided 52% of total 1995 energy requirements, compared with 59% in 1994 and 55% in 1993. The energy requirements fulfilled by purchased sources in 1995 were as follows: natural gas, 58%; electricity, 30%; residual fuel oil, 11%; and other sources, 1%.

Item 2. Properties

The Company owns substantially all of its non-office products operating facilities. Regular maintenance, renewal, and new construction programs have preserved the operating suitability and adequacy of those properties. The majority of the office products facilities are rented under operating leases.

Following is a list of the Company's facilities by segment as of December 31, 1995. Information concerning timber resources is presented in Item 1 of this Form 10-K.

Paper and Paper Products

7 pulp and paper mills located in Alabama, Louisiana, Maine, Minnesota, Oregon, and Washington (2). In late 1995, a decision was made to reconfigure the Company's Vancouver, Washington, pulp and paper mill and reduce, over time, its production.

6 regional service centers located in California, Georgia, Illinois, New Jersey, Oregon, and Texas.

1 converting facility located in Oregon.

7 corrugated container plants located in Idaho (2), Nevada, Oregon, Utah, and Washington (2).

Office Products

31 contract stationer distribution centers located in Arizona, California (2), Colorado, Connecticut, Florida (2), Georgia, Hawaii, Idaho, Illinois, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri (2), New Jersey, New York, Ohio (2), Oregon, Pennsylvania (2), South Carolina, Texas (2), Utah, Virginia, and Washington.

5 direct-mail distribution facilities located in Delaware, Georgia, Illinois, Nevada, and Great Britain.

4 retail outlets located in Hawaii.

Building Products

11 sawmills located in Alabama, Idaho (2), Louisiana, Oregon (4), and Washington (3).

12 plywood and veneer plants located in Idaho, Louisiana (2), Oregon (7), and Washington (2).

1 particleboard plant located in Oregon.

1 engineered wood products plant located in Oregon.

1 wood beam plant located in Idaho.

11 wholesale building materials units located in Arizona, Colorado (2), Idaho (2), Montana, Utah, and Washington (4).

Item 3. Legal Proceedings

The Company has been notified that it is a "potentially responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or similar federal and state laws with respect to a number of sites where hazardous substances or other contaminants are located. In 1993, the Company filed a lawsuit in State District Court in Boise, Idaho, against its current and previous insurance carriers seeking insurance coverage for response costs the Company has incurred or may incur at these sites. The Company has settled with most carriers and a trial has been set to begin June 3, 1996, involving those companies who remain in the case. The Company cannot predict with certainty the total response and remedial costs, the Company's share of the total costs, the extent to which

contributions will be available from other parties, the amount of time necessary to complete the cleanups, or the availability of insurance coverage. However, based on the Company's investigations, the Company's experience with respect to cleanup of hazardous substances, the fact that expenditures will, in many cases, be incurred over extended periods of time, and the number of solvent potentially responsible parties, the Company does not presently believe that the known actual and potential response costs will, in the aggregate, have a material adverse effect on its financial condition or the results of operations.

On December 7, 1995, the Company entered into a consent decree with the Yakima County, Washington, Clean Air Authority (YCCAA) to resolve air emission issues involving the Yakima Timber and Wood Products facility. The consent decree required the Company to pay the YCCAA approximately \$125 thousand and provided for a period of time in which to study methods to reduce certain air emissions from the facility.

The Company is involved in other litigation and administrative proceedings primarily arising in the normal course of its business. In the opinion of management, the Company's recovery, if any, or the Company's liability, if any, under any pending litigation or administrative proceeding, including that described in the preceding paragraphs would not materially affect its financial condition or operations.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company's common stock is listed on the New York, the Chicago, and the Pacific Stock Exchanges. The high and low sales prices for the Company's common stock, as well as the frequency and amount of dividends paid on such stock, is included in Note 11, "Quarterly Results of Operations (unaudited)," of the Notes to Financial Statements in the Company's 1995 Annual Report. Additional information concerning dividends on common stock is presented under the caption "Dividends" of the Financial Review section of the Company's 1995 Annual Report, and information concerning restrictions on the payments of dividends is included in Note 3, "Debt," of the Notes to Financial Statements in the Company's 1995 Annual Report. The approximate number of common shareholders, based upon actual record holders at year-end, is presented under the caption "Financial Highlights" of the Company's 1995 Annual Report. The information under these captions is incorporated herein by this reference.

Shareholder Rights Plan

Pursuant to the shareholder rights plan adopted in December 1988 and as amended in September 1990, holders of common stock received a distribution of one right for each common share held. The rights become exercisable ten days after a person or group acquires 15% of the Company's outstanding voting securities or ten business days after a person or group commences or announces an intention to commence a tender or exchange offer that could result in the acquisition of 15% of these securities. If a person acquires 15% or more of the Company's outstanding voting securities, on the tenth day thereafter, unless this time period is extended by the board of directors, each right would, subject to certain adjustments and alternatives, entitle the rightholder to purchase common stock of the Company or the acquiring company having a market value of twice the \$175 exercise price of the right (except that the acquiring person or group and other related holders would not be able to purchase common stock of the Company on these terms). The rights are nonvoting, may be redeemed by the Company at a price of 1 cent per right at any time prior to the tenth day after an individual or group acquires 15% of the Company's voting stock, unless extended, and expire in 1998. Additional details are set forth in the Amended and Restated Rights Agreement filed as Exhibit 1 in the Company's Form 8-K with the Securities and Exchange Commission on September 25, 1990.

Item 6. Selected Financial Data

The following table sets forth selected financial data of the Company for the years indicated and should be read in conjunction with the disclosures in Item 7 and Item 8 of this Form 10-K:

	1995	1994	1993	1992	1991
	(expressed in millions, except per-common-share amounts)				
Assets					
Current assets	\$1,313	\$ 918	\$ 887	\$ 866	\$ 933
Property and equipment, net	2,604	2,494	3,010	3,067	3,163
Other	739	882	616	627	633
	<u>\$4,656</u>	<u>\$4,294</u>	<u>\$4,513</u>	<u>\$4,560</u>	<u>\$4,729</u>
Liabilities and Shareholders' Equity					
Current liabilities	\$ 770	\$ 658	\$ 688	\$ 750	\$ 651
Long-term debt, less current portion	1,365	1,625	1,593	1,680	1,916
Guarantee of ESOP debt	214	231	247	262	275
Minority interest	68	-	-	-	-
Other	545	415	480	510	439
Shareholders' equity	1,694	1,365	1,505	1,358	1,448
	<u>\$4,656</u>	<u>\$4,294</u>	<u>\$4,513</u>	<u>\$4,560</u>	<u>\$4,729</u>
Net sales	\$5,074	\$4,140	\$3,958	\$3,716	\$3,950
Income (loss) before accounting change	352	(63)	(77)	(154)	(79)
Net income (loss)	352	(63)	(77)	(227)	(79)
Net income (loss) per common share					
Primary					
Income (loss) before accounting change	\$ 5.93	\$(3.08)	\$(3.17)	\$(4.79)	\$(2.46)
Effect of net accounting change (1)	-	-	-	(1.94)	-
	<u>\$ 5.93</u>	<u>\$(3.08)</u>	<u>\$(3.17)</u>	<u>\$(6.73)</u>	<u>\$(2.46)</u>
Fully diluted (2)					
Income (loss) before accounting change	\$ 5.39	\$(3.08)	\$(3.17)	\$(4.79)	\$(2.46)
Effect of net accounting change (1)	-	-	-	(1.94)	-
	<u>\$ 5.39</u>	<u>\$(3.08)</u>	<u>\$(3.17)</u>	<u>\$(6.73)</u>	<u>\$(2.46)</u>
Cash dividends declared per common share	\$.60	\$.60	\$.60	\$.60	\$ 1.29

- (1) Consists of a one-time noncash charge of \$73 million, or \$1.94 per share, for the adoption of Financial Accounting Standards Board requirements to accrue postretirement benefits other than pensions.
- (2) The computation of fully diluted net loss per common share was antidilutive in the years 1994, 1993, 1992, and 1991; therefore, the amounts reported for primary and fully diluted loss per share are the same.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of financial condition and results of operations are presented under the caption "Financial Review" of the Company's 1995 Annual Report and are incorporated herein by this reference.

Item 8. Financial Statements and Supplementary Data

The Company's consolidated financial statements and related notes, together with the report of the independent public accountants, are presented in the Company's 1995 Annual Report and are incorporated herein by this reference. Selected quarterly financial data is presented in Note 11, "Quarterly Results of Operations (unaudited)," of the Notes to Financial Statements in the Company's 1995 Annual Report and is incorporated herein by this reference.

The consolidated income statement for the three months ended December 31, 1995, is presented in the Company's Fact Book for the fourth quarter of 1995 and is incorporated herein by this reference.

The 10.125% Notes issued in December 1990, the 9.85% Notes issued in June 1990, the 9.9% Notes issued in March 1990, and the 9.45% Debentures issued in October 1989 each contain a provision under which in the event of the occurrence of both a designated event, as defined, and a rating decline, as defined, the holders of these securities may require the Company to redeem the securities.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

Directors

The directors and nominees for directors of the Company are presented under the caption "Election of Directors" in the Company's definitive proxy statement dated March 6, 1996. All of the nominees are presently directors. This information is incorporated herein by this reference.

Executive Officers as of February 29, 1996

Name	Age	Position or Office	Date First Elected as an Officer
George J. Harad(1)	51	Chairman of the Board and Chief Executive Officer	5/11/82
Peter G. Danis Jr.(2)	64	Executive Vice President	7/26/77
Theodore Crumley	50	Senior Vice President and Chief Financial Officer	5/10/90
A. Ben Groce	54	Senior Vice President	2/8/91
Alice E. Hennessey	59	Senior Vice President	10/28/71
Terry R. Lock	54	Senior Vice President	2/17/77
Richard B. Parrish	57	Senior Vice President	2/27/80
N. David Spence	60	Senior Vice President	12/8/87
A. James Balkins III	43	Vice President, Associate General Counsel, and Corporate Secretary	9/5/91
J. Ray Barbee	48	Vice President	9/26/89
Stanley R. Bell	49	Vice President	9/25/90
John C. Bender	55	Vice President	2/13/90
Charles D. Blencke	52	Vice President	12/11/92
Tom E. Carlile	44	Vice President and Controller	2/4/94
Gary M. Curtis	45	Vice President	9/28/95
J. Michael Gwartney	55	Vice President	4/25/89
John W. Holleran	41	Vice President and General Counsel	7/30/91
H. John Leusner	60	Vice President	12/11/92
Irving Littman	55	Vice President and Treasurer	11/1/84
Jeffrey G. Lowe	54	Vice President	12/11/92
Christopher C. Milliken(3)	50	Vice President	2/3/95

Carol B. Moerdyk(4)	45	Vice President	5/10/90
Terry M. Plummer	42	Vice President	9/28/95
D. Ray Ryden	62	Vice President	4/26/88
Donald F. Smith	54	Vice President	12/8/87
J. Kirk Sullivan	60	Vice President	9/30/81
Gary M. Watson	48	Vice President	2/5/93

- (1) Chairman of the Board, Boise Cascade Office Products Corporation
- (2) President and Chief Executive Officer, Boise Cascade Office Products Corporation
- (3) Senior Vice President, Operations, Boise Cascade Office Products Corporation
- (4) Senior Vice President and Chief Financial Officer, Boise Cascade Office Products Corporation

All of the officers named above except A. Ben Groce and Gary M. Watson have been employees of the registrant or one of its subsidiaries for at least five years. Mr. Groce rejoined the Company in 1991 after resigning in June 1989. Prior to his resignation, he had served as an officer of the Company since December 1987. Mr. Watson joined Boise Cascade in 1992 as director of the Company's Paper Research and Development Center in Portland, Oregon.

Gary M. Curtis was elected a vice president in September 1995. Mr. Curtis received a A.S. degree in pulp and paper technology from the University of Maine in 1971. He also received a B.S. degree from the University of Maine in 1973. In 1988, Mr. Curtis attended the Harvard Program for Management Development at Harvard University. He joined the Company in 1982 and has held various positions in the Company's paper division.

Terry M. Plummer was elected a vice president in September 1995. Mr. Plummer received a B.A. degree in economics and political science from Willamette University in 1974. In 1981, he received an M.B.A. degree with distinction from Harvard University. Mr. Plummer joined the Company in 1981. Prior to his current position in Marketing and Planning in the Company's paper division, he was the director of research and development.

Item 11. Executive Compensation

Information concerning compensation of the Company's executive officers for the year ended December 31, 1995, is presented under the caption "Compensation Tables" in the Company's definitive proxy statement dated March 6, 1996. This information is incorporated herein by this reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

- (a) Information concerning the security ownership of certain beneficial owners as of December 31, 1995, is set forth under the caption "Beneficial Ownership" in the Company's definitive proxy statement dated March 6, 1996, and is incorporated herein by this reference.
- (b) Information concerning security ownership of management as of December 31, 1995, is set forth under the caption "Security Ownership of Directors and Executive Officers" in the Company's definitive proxy statement dated March 6, 1996, and is incorporated herein by this reference.

Item 13. Certain Relationships and Related Transactions

Information concerning certain relationships and related transactions during 1995 is set forth under the caption "Consulting and Legal Services" in the Company's definitive proxy statement dated March 6, 1996, and is incorporated herein by this reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

- (a) The following documents are filed as a part of this annual report on Form 10-K for Boise Cascade Corporation and subsidiaries:

- (1) Financial Statements

- (i) The Income Statement for the three months ended December 31, 1995, is incorporated herein by this reference from the Company's Fact Book for the fourth quarter of 1995.
- (ii) The Financial Statements, the Notes to Financial Statements, and the Report of Independent Public Accountants listed below are incorporated herein by this reference from the Company's 1995 Annual Report.

- Balance Sheets as of December 31, 1995 and 1994.
- Statements of Income (Loss) for the years ended December 31, 1995, 1994, and 1993.
- Statements of Cash Flows for the years ended December 31, 1995, 1994, and 1993.
- Statements of Shareholders' Equity for the years ended December 31, 1995, 1994, and 1993.
- Notes to Financial Statements.
- Report of Independent Public Accountants.

- (2) Financial Statement Schedules.

None required.

- (3) Exhibits.

A list of the exhibits required to be filed as part of this report is set forth in the Index to Exhibits, which immediately precedes such exhibits, and is incorporated herein by this reference.

- (b) Reports on Form 8-K.

The Company filed a Form 8-K with the Securities and Exchange Commission on January 18, 1996, to file a copy of its announcement of fourth quarter income. The Form 8-K also reports the ratio of earnings to fixed charges.

The Company filed a Form 8-K with the Securities and Exchange Commission on November 14, 1995, to report unaudited pro forma financial information giving effect to the merger of Rainy River Forest Products Inc. and Stone-Consolidated Corporation. The Form 8-K also included the news release issued by the Company announcing the completion of the merger of Rainy River and Stone-Consolidated Corporation.

- (c) Exhibits.

See Index to exhibits.

For the purpose of complying with the rules governing Form S-8 under the Securities Act of 1933, the undersigned registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into registrant's Registration Statements on Form S-8 Nos. 33-47892 (filed May 14, 1992), 33-28595 (filed May 8, 1989), 33-21964 (filed June 6, 1988), 33-31642 (filed November 7, 1989), 33-45675 (filed February 12, 1992), and 33-62263 (filed August 31, 1995):

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Boise Cascade Corporation

By George J. Harad
George J. Harad
Chairman of the Board and
Chief Executive Officer

Dated: March 15, 1996

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 15, 1996.

Signature	Capacity
(i) Principal Executive Officer:	
George J. Harad George J. Harad	Chairman of the Board and Chief Executive Officer
(ii) Principal Financial Officer:	
Theodore Crumley Theodore Crumley	Senior Vice President and Chief Financial Officer
(iii) Principal Accounting Officer:	
Tom E. Carlile Tom E. Carlile	Vice President and Controller
(iv) Directors:	
George J. Harad George J. Harad	A. William Reynolds A. William Reynolds
Anne L. Armstrong Anne L. Armstrong	Jane E. Shaw Jane E. Shaw
Robert E. Coleman Robert E. Coleman	Frank A. Shrontz Frank A. Shrontz
Robert K. Jaedicke Robert K. Jaedicke	Edson W. Spencer Edson W. Spencer
James A. McClure James A. McClure	Robert H. Waterman, Jr. Robert H. Waterman, Jr.
Paul J. Phoenix Paul J. Phoenix	Ward W. Woods, Jr. Ward W. Woods, Jr.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated January 26, 1996, included or incorporated by reference in this Form 10-K for the year ended December 31, 1995, into Boise Cascade Corporation's previously filed post-effective amendment No. 1 to Form S-8 registration statement (File No. 33-28595); the registration statement on Form S-8 (File No. 33-47892); post-effective amendment No. 1 to Form S-8 registration statement (File No. 33-21964); the registration statement on Form S-8 (File No. 33-31642); the registration statement on Form S-8 (File No. 33-45675); the registration statement on Form S-3 (File No. 33-54533); the registration statement on Form S-3 (File No. 33-55396); and the registration statement on Form S-8 (File No. 33-62263).

ARTHUR ANDERSEN LLP

Boise, Idaho
March 15, 1996

BOISE CASCADE CORPORATION

INDEX TO EXHIBITS
 Filed with the Annual Report
 on Form 10-K for the
 Year Ended December 31, 1995

Number	Description	Page Number (1)
2	Inapplicable	-
3.1 (2)	Restated Certificate of Incorporation, as amended	-
3.2 (3)	Certificate of Designation of Convertible Preferred Stock, Series D, dated July 10, 1989	-
3.3 (4)	Bylaws, as amended, September 29, 1994	-
3.4 (5)	Certificate of Designation of Cumulative Preferred Stock, Series F, dated January 29, 1993	-
3.5 (6)	Certificate of Designation of Conversion Preferred Stock, Series G, dated September 17, 1993	-
4.1 (7)	Trust Indenture between Boise Cascade Corporation and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, as amended	-
4.2 (8)	1994 Revolving Loan Agreement -- \$600,000,000, dated April 15, 1994, as amended July 10, 1995	-
4.3 (9)	Shareholder Rights Plan, as amended September 25, 1990	-
9	Inapplicable	-
10.1	Key Executive Performance Plan for Executive Officers, as amended through December 7, 1995, with the 1995 and 1996 Performance Criteria	-
10.2	1986 Executive Officer Deferred Compensation Plan, as amended through December 7, 1995	-
10.3	1983 Board of Directors Deferred Compensation Plan, as amended through December 7, 1995	-
10.4	1982 Executive Officer Deferred Compensation Plan, as amended through December 7, 1995	-
10.5 (5)	Executive Officer Severance Pay Policy	-
10.6	Supplemental Early Retirement Plan for Executive Officers, as amended through December 7, 1995	-
10.7 (10)	Boise Cascade Corporation Supplemental Pension Plan, effective as of January 1, 1994	-
10.8	1987 Board of Directors Deferred Compensation Plan, as amended through December 7, 1995	-
10.9	1984 Key Executive Stock Option Plan and Forms of Agreement, as amended through February 1, 1996	-
10.10 (5)	Executive Officer Group Life Insurance Plan description	-
10.11	Executive Officer 1980 Split-Dollar Life Insurance Plan, as amended through December 7, 1995	-
10.12	Forms of Agreements with Executive Officers, as amended through December 7, 1995	-
10.13 (5)	Supplemental Health Care Plan for Executive Officers	-
10.14 (5)	Nonbusiness Use of Corporate Aircraft Policy, as amended	-
10.15 (5)	Executive Officer Financial Counseling Program description	-
10.16 (5)	Family Travel Program description	-
10.17 (5)	Form of Directors' Indemnification Agreement	-
10.18 (11)	Deferred Compensation and Benefits Trust, as amended by the Form of Third Amendment dated December 7, 1995	-
10.19	Director Stock Compensation Plan, as amended through December 7, 1995	-
10.20	Boise Cascade Corporation Director Stock Option Plan, as amended through December 7, 1995	-
10.21	1995 Executive Officer Deferred Compensation Plan, effective January 1, 1996	-
10.22	1995 Board of Directors Deferred Compensation Plan, effective January 1, 1996	-
10.23	Boise Cascade Corporation 1995 Split-Dollar Life Insurance Plan, as amended through December 7, 1995	-
11	Inapplicable	-
12	Ratio of Earnings to Fixed Charges	-

13.1	Incorporated sections of the Boise Cascade Corporation 1995 Annual Report	
13.2	Incorporated sections of the Boise Cascade Corporation Fact Book for the fourth quarter of 1995	
16	Inapplicable	-
18	Inapplicable	-
21	Significant subsidiaries of the registrant	
22	Inapplicable	-
23	Consent of Arthur Andersen LLP (See page ___)	
24	Inapplicable	-
27	Financial Data Schedule	
28	Inapplicable	-
99	Inapplicable	-

- (1) This information appears only in the manually signed original of the Annual Report on Form 10-K.
- (2) Exhibit 3.1 was filed under the same exhibit number in the Company's 1987 Annual Report on Form 10-K and is incorporated herein by this reference.
- (3) The Certificate of Designation of Convertible Preferred Stock, Series D, dated July 10, 1989, was filed as Exhibit 4.4 in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1989, and is incorporated herein by this reference.
- (4) The Bylaws, as amended September 29, 1994, were filed as Exhibit 3 in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994, and are incorporated herein by this reference.
- (5) Exhibits 3.4, 10.5, 10.10, 10.13, 10.14, 10.15, 10.16, and 10.17 were filed under the same exhibit numbers in the Company's 1993 Annual Report on Form 10-K and are incorporated herein by this reference.
- (6) The Certificate of Designation of Conversion Preferred Stock, Series G, dated September 17, 1993, was filed as Exhibit 3.6 in the Company's 1993 Annual Report on Form 10-K and is incorporated herein by this reference.
- (7) The Trust Indenture between Boise Cascade Corporation and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, as amended, was filed as Exhibit 4 in the Registration Statement on Form S-3 No. 33-5673, filed May 13, 1986. The First Supplemental Indenture, dated December 20, 1989, to the Trust Indenture between Boise Cascade Corporation and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, was filed as Exhibit 4.2 in the Pre-Effective Amendment No. 1 to the Registration Statement on Form S-3 No. 33-32584, filed December 20, 1989. The Second Supplemental Indenture, dated August 1, 1990, to the Trust Indenture was filed as Exhibit 4.1 in the Company's Current Report on Form 8-K filed on August 10, 1990. Each of the documents referenced in this footnote is incorporated herein by this reference.
- (8) The 1994 Revolving Loan Agreement was filed as Exhibit 4.2 in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994, and is incorporated herein by this reference. The Form of First Amendment to the 1994 Revolving Loan Agreement was filed as Exhibit 4 in the Company's Form 10-Q for the quarter ended June 30, 1995, and is incorporated herein by this reference.
- (9) The Rights Agreement, dated as of December 13, 1988, as amended September 25, 1990, was filed as Exhibit 1 in the Company's Form 8-K filed with the Securities and Exchange Commission on September 25, 1990, and is incorporated herein by this reference.
- (10) Exhibit 10.7 was filed under the same exhibit number in the Company's 1994 Annual Report on Form 10-K and is incorporated herein by this reference.
- (11) The Deferred Compensation and Benefits Trust, as amended and restated December 1, 1988, together with Amendment No. 1 dated December 15, 1988, and Amendment No. 2 dated June 30, 1989, were filed under the same exhibit number in the Company's 1993 Annual Report on Form 10-K and are incorporated herein by this reference.

BOISE CASCADE CORPORATION
KEY EXECUTIVE PERFORMANCE PLAN
FOR EXECUTIVE OFFICERS

(As Amended Through December 7, 1995)

BOISE CASCADE CORPORATION
KEY EXECUTIVE PERFORMANCE PLAN FOR EXECUTIVE OFFICERS

1. Purpose of the Plan. The Boise Cascade Corporation Key Executive Performance Plan for Executive Officers (the "Plan") is designed to recognize the contribution made by Executive Officers in optimizing the long-term value to the shareholders of Boise Cascade Corporation (the "Company") and to provide Plan participants with an opportunity to supplement their retirement income through deferrals of awards made under the Plan. The Plan is intended to be subject to and comply with the requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and is an unfunded plan providing deferred compensation for a select group of senior management or highly compensated employees.

2. Definitions. For purposes of this Plan, the following terms shall have the meanings set forth below:

2.1 "Award" or "Corporate Performance Award" shall mean a payment made under the Plan, or a payment earned but deferred according to the terms of a Participant's deferral election under Section 8 of this Plan, based on the Corporate Performance Award Criteria ("Criteria") and/or the Division or Location Performance Measures ("Measures") applicable to the Award Period for which the Award is made. Within 90 days of the beginning of each Award Period, the Committee shall establish the specific Criteria and/or Measures to be achieved by the Company in order for Participants to earn a Corporate Performance Award. The Committee shall establish a mathematical formula pursuant to which an Award, equal to a specified percentage of a Participant's salary, shall be earned upon the attainment of specific levels of the applicable Criteria and/or Measures. This formula may take into account Criteria and/or Measures achieved in prior Award Periods. The Criteria and/or Measures and formula, once established, shall continue for subsequent Award Periods unless modified by the Committee. The Criteria and/or Measures applicable to an Award Period, and the formula pursuant to which Award amounts shall be determined, shall be selected and published within 90 days from the beginning of the Award Period. No Award may be paid to a Participant in excess of \$2.5 million for any single Award Period. In the event an Award is earned under the Criteria and/or Measures in effect for an Award Period in excess of \$2.5 million, the amount of the Award in excess of this amount shall be deferred in accordance with Section 8 of this Plan.

2.2 "Award Period" shall mean a period of one year, commencing each January 1 and ending on the following December 31.

2.3 "Base Salary" shall mean a Participant's annual pay rate at the end of the Award Period without taking into account (i) any deferrals of income, (ii) any incentive compensation, or (iii) any other benefits paid or provided under any of the Company's other employee benefit plans.

2.4 "Capital" shall mean the net investment employed in the operations of the Company, adjusted for LIFO inventory, present value of operating leases, goodwill amortization, major capital projects, and major nonrecurring adjustments.

2.5 "Capital Charge" shall mean the deemed opportunity cost of employing Capital for the Company calculated as follows: Capital Charge = average Capital x Pretax Required Rate of Return.

2.6 "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a Change in Control of the Company (a "Transaction") shall not constitute a Change in Control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an

equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title, and the like; (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.7 "Committee" shall mean the Executive Compensation Committee of the board of directors of the Company.

2.8 "Corporate Performance Award Criteria" shall mean the attainment of specified levels of Return on Equity ("ROE"), Return on Total Capital ("ROTC"), Economic Value Added ("EVA"), Earnings Per Share ("EPS"), and/or Net Income ("NI") selected by the Committee.

2.9 "Deferred Compensation and Benefits Trust" shall mean the irrevocable trust established by the Company with an independent trustee for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which trust will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

The Deferred Compensation and Benefits Trust shall contain the following provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.10 "Division or Location Performance Measures" shall mean the attainment by division(s) and/or location(s) (at the division and/or location level) of specified levels of Pretax Return on Total Capital ("PROTC"), EVA, safety, quality, costs, operating efficiency, sales, production, and/or product mix as determined by the Committee.

2.11 "Earnings Per Share" shall mean the Company's Net Income and excluding preferred dividends, divided by average shares outstanding as reported in the Company's published financial statements, and adjusted for major nonrecurring and nonoperating expense and income items, as determined by the Committee, based on the facts and

circumstances involved. Earnings Per Share shall be on a fully diluted basis if required to be reported on this basis under generally accepted accounting principles; otherwise, Earnings Per Share shall be primary Earnings Per Share.

2.12 "Economic Value Added" shall mean the excess NOPBT that remains after subtracting the Capital Charge, expressed as follows: $EVA = NOPBT - Capital\ Charge$

2.13 "Executive Officers" shall mean the Company's Chief Executive Officer, President, and any Executive Vice President, Senior Vice President, Vice President and the Corporate Secretary, Treasurer, or Controller of the Company.

2.14 "Net Income" shall mean the Company's income after taxes as reported in the Company's published financial statements for the applicable Award Period. Net Income shall be adjusted for major nonrecurring and nonoperating income or expense items, as determined by the Committee, based on the facts and circumstances involved.

2.15 "Net operating Profit Before Tax" ("NOPBT") shall mean the before tax operating income of the Company for the Award Period.

2.16 "Participant" shall mean a person who is an Executive Officer of the Company at the beginning of an Award Period or who is elected an Executive Officer by the Company's Board of Directors (the "Board") during an Award Period who is identified by the Company and Committee as being eligible to be a Participant for such Award Period and who timely signs and returns to the Company a participation letter (or similar document) in such form as is approved by the Company.

2.17 "Potential Change in Control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.18 "Pretax Required Rate of Return" (also commonly known as the "cost of capital") shall mean the pretax required rate of return percentage including adjustment for business risk and for debt to equity structure, as determined by the Committee for the Award Period.

2.19 "Return on Equity" shall mean the Company's Net Income, divided by average shareholders' equity.

2.20 "Return on Total Capital" shall be the Company's Net Income divided by the average Total Capital, as reported in the Company's published financial statements for the applicable Award Period.

3. Determination of Awards. As soon as practical after the conclusion of each Award Period, the Committee shall review and evaluate the Corporate Performance Award Criteria applicable to the Award Period in light of the Company's performance measured in accordance with such criteria, and shall determine whether the criteria have been satisfied. If satisfied, the Committee shall so certify in a written statement, and shall apply the criteria to determine the percentage amount of the Award for each Participant.

4. Payment of Awards. Payment of Awards, less withholding taxes, shall be made to Participants as soon as practical following the Committee's certification that the applicable Award Criteria have been satisfied and upon

determination of the amount of each Award. Funding of Awards under this Plan shall be out of the general assets of the Company. Payment of Awards for which a deferral election has been made by a Participant pursuant to Section 8 hereof shall be made in accordance with the Participant's deferral election. Notwithstanding the foregoing, no payments shall be made under this Plan unless the material terms of the Plan have been approved by a majority vote of the Company's shareholders voting with respect to such matters.

5. Administration and Interpretation of the Plan. The Committee shall have the sole discretion, responsibility, and authority to carry out all actions with respect to administration and interpretation of the Plan. Any interpretation by the Committee shall be final and binding on the Participants. The Committee shall have sole discretion to determine any and all questions of fact relating to or arising in connection with the Plan, including but not limited to questions of eligibility and benefits under the Plan. The Committee shall have sole discretion to construe any and all terms or conditions of the Plan and to make determinations and administrative decisions regarding the intent, meaning, application, and effect of any and all aspects of the Plan. The Committee may adopt such rules and regulations relating to the Plan as it may deem necessary for the administration of the Plan. The Committee may delegate its responsibilities hereunder to Company employees, advisors, or other persons who are not members of the Committee, and may rely upon information or opinions of legal counsel or experts selected to render advice with respect to the Plan. Any delegate of the Committee hereunder shall have the absolute discretionary authority vested in the Committee with respect to such delegated responsibilities unless limited in writing by the Committee.

6. Participation in the Plan. Executive officers of the Company may become Participants in accordance with the terms of the Plan at any time during the Award Period, as provided in Section 2.16. If an Executive Officer becomes a Participant at any time other than at the commencement of an Award Period, the amount of his or her Award under the Corporate Performance Award Criteria of the Plan shall be prorated on the basis of the number of days during the Award Period that he or she is a Participant compared to the total number of calendar days in the Award Period.

At such time as an Executive Officer becomes a Participant in this Plan, he or she shall be eligible to be a Participant in all subsequent Award Periods under the Plan until he or she ceases to be an Executive Officer of the Company, his or her employment with the Company terminates, he or she is excluded from participation by the Committee, or he or she fails to sign a participation letter as provided in Section 2.16.

If a person becomes a Participant under this Plan and is also a Participant under the Company's Key Executive Performance Plan for Key Executives or any similar incentive plan for the same Award Period, such Participant will also be eligible to receive a pro rata Award under the Key Executive Performance Plan for Key Executives or such other plan, in accordance with the terms of such plan, at the end of the Award Period.

7. Treatment of Awards Upon Retirement, Disability, Death, Reassignment or Termination. A Participant who (a) retires (including early retirement as defined under the Company's qualified pension plan for salaried employees and retirement under the Company's Supplemental Early Retirement Plan for Executive Officers), (b) becomes totally disabled, (c) dies, or (d) terminates employment as a direct result of the sale or permanent closure of a division or facility of the Company, or as a direct result of a merger, reorganization, sale, or restructuring of all or part of the Company, will cease to be a Participant in the Plan as of the day of the occurrence of such event. In this event, the Participant (or his or her designated beneficiary or estate in the case of death) shall receive a pro rata Award under the Plan (if one is paid), based on the number of days during the Award Period the person was a Participant in the Plan compared to the total number of days in the Award Period. This prorated Award shall be paid to the Participant (or his or her designated beneficiary or estate in the case of death) as soon as practical after the conclusion of the Award Period. Any award to be paid pursuant to clause (d) above shall be calculated based on the corporate Performance Award Criteria applicable to the Award Period through the date of the occurrence of such event, and shall be calculated as though such event had not occurred.

If a Participant is excluded from participation by decision of the Committee during an Award Period, the Participant shall cease participation as of the date of such decision and shall receive a prorated Award for the Award

Period (if one is paid). The calculation and payment of this prorated award will be made in the same manner as that of a Participant who has retired, become permanently disabled, or died.

Participants who otherwise terminate their employment with the Company during an Award Period, whether voluntarily or involuntarily, with or without cause, shall not be eligible to receive any Award for the Award Period, unless payment of an Award to such Participant is approved by the Committee.

8. Deferral of Awards. A Participant may elect to defer receipt of all or any portion of any Corporate Performance Award made under the Plan to a future date, provided the amount to be so deferred exceeds \$2,000, as described in this Section 8. A Participant who has earned an Award in excess of \$2.5 million for an Award Period shall be required to defer the amount of the Award in excess of \$2.5 million, in accordance with this Section 8.

Deferred Bonus Accounts shall not be funded, and all Awards deferred by Participants shall be unfunded obligations of the Company. Participants shall be unsecured general creditors of the Company with respect to such Deferred Bonus Accounts.

8.1 Eligible executives may elect (if done so on or before September 30 of the Plan year) to defer receipt of their Award (if any), subject to the following:

(a) Before September 30 of the Plan year for which a deferral election is to be effective, executives must sign and return to the Company a completed Deferral Election Form, which shall specify (1) the percentage or amount of the Award to be deferred, (2) the form (lump sum or installment) of payment, and (3) the date on which payment of the deferred Award is to commence. Elections hereunder shall be irrevocable except as otherwise provided in the Plan.

(b) A Deferred Award will be credited to a Deferred Bonus Account for the executive, an account established for Key Executive Performance Plan deferral purposes for the Plan year. Thereafter, the executives Deferred Bonus Account will be credited with nominal interest at a rate determined by the Company. This rate, which will be set annually, will not be less than the prime rate offered by the Bank of America NT&SA each January 1.

(c) If any payment is made from an executives Deferred Bonus Account during a year, interest will be credited to the account on the portion so paid up to the end of the month preceding the month in which payment occurs.

(d) An executives Deferred Bonus Account for a given Plan year will be paid to the executive in a lump sum on one of the following dates:

(1) The date selected by the executive in the applicable Deferral Agreement, or

(2) January 1 of the year following the executives normal or early retirement if no earlier date has been selected previously by the executive.

In lieu of lump-sum payment, an executive may elect to receive payment in consecutive equal annual installments over a period not exceeding ten years commencing with the date the executive selects in the applicable Deferral Agreement.

(e) Earlier payment of Deferred Bonus Account balances will be made only in accordance with Plan provisions permitting hardship or other early withdrawals, waiting periods, and account limitations, and penalties will apply as set forth in the Plan.

(f) Any amounts deferred shall not be considered as compensation for pension purposes or for purposes of the Company's Savings and Supplemental Retirement Plan. However, any resulting reduction in a participant's pension benefit will be provided from the Company's unfunded supplemental pension plan.

8.2 Except as otherwise provided herein, election to defer payment of an award is irrevocable.

8.3 If an executive terminates for any reason other than retirement or death, the Company will pay to such terminated employee his or her Deferred Bonus Account in full in the month following the month of termination. The amount of such Deferred Bonus Account to be distributed will be determined in accordance with paragraph 8.1.b.

8.4 If an executive terminates because of death or if an executive dies after his or her normal or early retirement and there is an unpaid balance in his or her Deferred Bonus Account, the executives Deferred Bonus Account or unpaid balance thereof will be paid by the Company to the executives designated beneficiary or beneficiaries in the month following the month in which the executives death occurs. The amount of such Deferred Bonus Account or unpaid balance thereof to be distributed will be determined in accordance with paragraph 8.1.c.

8.5 An executive must designate the beneficiary or beneficiaries who are to receive his or her Deferred Bonus Account in the event of the executives death. The beneficiary designation shall be made on the Beneficiary Designation form and may be changed at any time upon written notice to the Company. If an executive has not designated a beneficiary or beneficiaries or if all the designated beneficiaries are deceased, the Deferred Bonus Account will be paid to the executives estate.

8.6 Distributions of Deferred Bonus Accounts may be made in accordance with the provisions of this Section 8, notwithstanding a Participant's Deferral Election Form.

8.6.1 Hardship Termination and Distribution.

In the event of serious and unanticipated financial hardship, a participant may request a lump-sum distribution of all or a portion of his or her Deferred Bonus Account balance. The participant making a hardship distribution request under this section shall document, to the Company's satisfaction, that distribution of his or her Deferred Bonus Account is necessary to satisfy an unanticipated, immediate, and serious financial need and that the participant does not have access to other funds, including proceeds of any loans sufficient to satisfy the need. Upon receipt of a request under this section, the Company may, in its sole discretion, distribute all or a portion of the participant's account balance in a lump sum, to the extent such distribution is necessary to satisfy the financial need. The participant shall sign all documentation requested by the Company relating to any such distribution, and any participant whose participation in the Plan terminates under this paragraph may not make deferrals of Awards for a minimum of 12 months following the date of any distribution.

8.6.2 Early Distribution with Penalty.

Notwithstanding any provision in this Plan to the contrary, a participant or beneficiary may, at any time, request a single lump-sum payment of the amount credited to a Deferred Bonus Account or accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the participant's accumulated Deferred Bonus Account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such accumulated account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company receives the request for the distribution. If a request is made under this provision, the participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including the deferral option under this Plan, for a period of 12 months after such request is made. In addition, in this event, any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to compensation payable to the participant during this 12-month period.

8.6.3 Distribution Upon Extraordinary Events.

In the event any participant terminates employment with the Company as a direct result of the sale or divestiture of a facility, operating division, or reduction in force in connection with any reorganization of the Company's operations or staff, such participant may request distribution of his or her entire Deferred Bonus Account balance. Upon receipt of such a request for distribution under this section, the Company may, in its sole discretion, elect whether to approve or deny the request. If the Company approves a request under this section, distribution of the participant's account shall occur no later than the January 1 of the year following the year during which such termination of employment occurs.

8.6.4 Small Account Distributions.

In the event a participant terminates employment with the Company for any reason and the participant's benefit under this Plan is less than either (i) \$5,000 in lump sum present value, calculated in accordance with reasonable assumptions, or (ii) the monthly payment under the benefit payment option selected by the participant is less than \$75 per month, such participant may request distribution of his or her entire account balance. Upon receipt of a request for distribution under this section, the Company may, in its sole discretion, elect whether to approve or deny the request. If the request is approved, the Company shall close the participant's account and distribute the participant's entire account balance in a single lump sum. Any distribution under this paragraph shall be made no later than January 1 of the year following the year in which such termination of employment occurs.

8.7 A participant who has previously submitted an election regarding payment of a Deferred Bonus Account and who subsequently wishes to change that election may submit a

written request to change the election to Boise Cascade. Such request must specify, subject to the limits of the Plan, (i) either a lump-sum payment or annual installments and (ii) a date at least one year later than the date originally elected for such payments to commence and terminate. Such requests must be received by the Company at least 30 days prior to January 1 of the year in which the executive previously elected to have the payments commence. Boise Cascade, in its sole and absolute discretion, may accept or reject such application. No change will be permitted that would allow payment of a deferral Award earlier than originally elected.

8.8 Once an award is made to an executive, it cannot be revoked or modified by the Company and will be paid in accordance with the election made and in accordance with the terms of this Plan.

8.9 The Deferred Bonus Account of an executive, or any part thereof, shall not be assignable or transferable by an executive, either before or after normal or early retirement, other than to a properly designated beneficiary or beneficiaries or by will or the laws of descent and distribution. During the lifetime of an executive, payments of a Deferred Bonus Account will be made only to the executive.

8.10 An executive who takes early retirement at the request of the Company may, on that account, change any outstanding deferral election under this Plan at any time between the date on which he or she is so requested to take retirement and the effective date of such early retirement.

8.11 The Company believes, but does not represent or guarantee, that a deferral election made in accordance with the terms of the Plan is effective to defer the receipt of taxable income. Each executive should consider his or her own financial situation and tax implications prior to electing to defer an Award. Deferral elections are at the sole discretion of each executive and the Company makes no representation regarding the tax or legal consequences of such deferral elections. Executives should consult an attorney or an accountant familiar with the federal income and estate tax laws, as well as their local laws, regarding the tax implications of a deferred Award in their individual cases.

8.12 This deferral option applies only to participants in those countries where tax statutes recognize voluntary compensation deferral programs that are consistent with the terms of this Plan.

8.13 Participants and their beneficiaries, heirs, successors and assigns shall have no legal or equitable right, interest, or claim in any property or assets of the Company. Such assets of the Company shall not be held under any trust for the benefit of participants, their beneficiaries, heirs, successors or assigns or held in any way as collateral security for the fulfilling of obligations of the Company under this Plan. Any and all Company assets shall be and remain the general, unpledged, unrestricted assets of the Company. The Company's obligation under this Plan shall be an unfunded and unsecured promise of the Company to pay money in the future.

9. Deferred Compensation and Benefits Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Deferred Compensation and Benefits Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105% of the amount necessary to pay the Company's obligations under this Agreement, calculated on an actuarial basis and in accordance with the terms of the Trust (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan.

10. Miscellaneous.

10.1 Assignability. A Participant's right and interest under the Plan may not be assigned or transferred, except in the event of the Participant's death, in which event such right and interest shall be transferred to his or her designated beneficiary, or in the absence of a designation of beneficiary, by will or in accordance with the laws of descent and distribution of the state of the Participant's principal residence at the time of death.

10.2 Employment Not Guaranteed. Neither this Plan nor any description of benefits, company policy or practice, or any action taken hereunder creates a contract of employment, and shall under no circumstances be construed as giving a Participant a right to be or remain as an Executive Officer or an employee of the Company for any period. Any Executive Officer or Participant is employed solely at the will of the Company, and his or her employment may be terminated at any time by the Company, with or without cause or reason, notwithstanding any provision in this Plan, any description of benefits, or any company policy or practice which may be construed to the contrary.

10.3 Taxes. The Company shall deduct from all Corporate Performance Awards or Individual Performance Awards all applicable federal and state taxes required by law to be withheld from such Corporate Financial Performance Awards or Discretionary Individual Performance Awards. Participants may, upon written request to the Company, request additional amounts to be withheld from any Award.

10.4 Construction and Jurisdiction. The Plan shall be construed according to the laws of the state of Idaho. In the event any lawsuit or legal action is brought, by any party, person, or entity regarding this Plan, benefits hereunder, or any related issue, such action or suit may be brought only in Federal District Court in the District of

Idaho.

10.5 Form of Communication. Any election, application, claim, notice or other communication required or permitted to be made by a Participant to the Committee or Company shall be made in writing and in such form as the Company shall prescribe. Such communication shall be effective upon its receipt by the Company, if sent by first-class mail, postage prepaid and addressed to Manager of Executive Compensation, Boise Cascade Corporation, 1111 West Jefferson Street (83702), P.O. Box 50, Boise, Idaho 83728-0001.

11. Amendment and Termination. The Committee may amend or terminate the Plan, at any time, provided that the Committee may not amend or terminate the Plan so as to adversely affect any benefits earned or accrued by Participants prior to the date of the amendment or termination. All actions of the Committee in this regard shall be evidenced by a duly adopted resolution or consent action of the Committee.

12. Claims Procedure. Claims for benefits under the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Manager of Executive Compensation, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to such claim in the name and on behalf of the Committee. Such written notice of a claim shall include a statement of all facts believed by the Participant to be relevant to the claim and shall include copies of all documents, materials, or other evidence that the Participant believes relevant to such claim. Written notice of the disposition of a claim shall be furnished the claimant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days by the Committee, in its sole discretion, by providing written notice of such extension to the claimant prior to the expiration of the original 90-day period. In the event the claim is denied, the specific reasons for such denial shall be set forth in writing, pertinent provisions of the Plan shall be cited and, where appropriate, an explanation as to how the claimant may perfect the claim or submit such claim for review will be provided.

13. Claims Review Procedure. Any Participant, former Participant or Beneficiary of either, who has been denied a benefit claim under Section 12 hereof shall be entitled, upon written request, to a review of his or her denied claim. Such request, together with a written statement of the claimant's position, shall be filed no later than 60 days after receipt of the written notification provided for in Section 12, and shall be filed with the Company's Manager of Executive Compensation, who shall promptly inform the Committee and forward all such material to the Committee for its review. The Committee may meet in person or by telephone to review any such denied claim. The Committee shall make its decision, in writing, within 60 days after receipt of the claimant's request for review. The Committee's written decision shall state the facts and plan provisions upon which its decision is based. The Committee's decision shall be final and binding on all parties. This 60-day period may be extended an additional 60 days by the Committee, in its discretion, by providing written notice of such extension to the claimant prior to the expiration of the original 60-day period.

14. Effective Date. The Plan shall become effective on January 1, 1995, provided it is approved by the Company's shareholders at the 1995 annual meeting of shareholders.

BOISE CASCADE CORPORATION
KEY EXECUTIVE PERFORMANCE PLAN

1995 Payout Criteria Based on Economic Value Added (EVA)

Economic Value Added (EVA(R)) is a registered trademark of Stern Stewart & Co. and they have assisted Boise Cascade in developing this incentive plan.

Improvement in EVA	PAYOUT AS A PERCENT OF SALARY		
	CEO	EVP/SVP	VP
Less than (\$175,000,000)	0.0%	0.0%	0.0%
\$0	44.0%	37.0%	30.0%
\$87,500,000	66.0%	55.5%	45.0%
\$262,500,000	80.5%	67.7%	54.9%
\$437,500,000	95.5%	80.3%	65.1%
\$563,000,000	106.0%	89.2%	72.3%
\$563,000,001	113.1%	95.1%	77.1%
\$738,000,000	127.6%	107.3%	87.0%

- o For Improvement in EVA in excess of \$738 Million the payout increases proportionally to the increase from \$563,000,001 to \$738 Million.
- o The payout is interpolated on a straight line for Improvement in EVA not shown in the table.

EVA = Net Operating Profit Before Tax - Capital Charge

Net Operating Profit Before Tax (NOPBT)* =

- Income from operating assets
- + Imputed interest of capitalized lease obligations
- + Increase (decrease) in LIFO reserve
- + Annual amortization of goodwill
- Amortization of restructuring losses

* Unusual nonrecurring and nonoperating income or expense items do not affect NOPBT

Capital Charge = EVA Capital x 16%

EVA Capital** =

- Operating Capital
- + Cumulative amortization of goodwill
- + Imputed capital value of lease obligations
- + Total LIFO reserve account
- Gain from the sale of assets
- + Unamortized restructuring losses

** Nonrecurring and nonoperating losses do not affect Operating Capital. There may be adjustments to Operating Capital for strategic investments while they are under construction and up to two additional years subject to approval by the Executive Compensation Committee of the Board.

BOISE CASCADE CORPORATION
KEY EXECUTIVE PERFORMANCE PLAN

1996 Payout Criteria Based on Economic Value Added (EVA)

Economic Value Added (EVA(R)) is a registered trademark of Stern Stewart & Co. and they have assisted Boise Cascade in developing this incentive plan.

Improvement in EVA	PAYOUT AS A PERCENT OF SALARY		
	CEO	EVP/SVP	VP
Less than			
(\$619,742,000)	0.0%	0.0%	0.0%
(\$350,000,000)	30.9%	24.1%	18.0%
(\$175,000,000)	50.9%	39.6%	29.7%
(\$103,742,000)	75.4%	58.6%	44.0%
(\$103,741,999)	105.4%	82.0%	61.5%
\$0	140.9%	109.6%	82.2%
\$175,000,000	160.9%	125.2%	93.9%
\$350,000,000	173.9%	135.3%	101.5%

- o For Improvement in EVA in excess of \$350 Million the payout increases proportionally to the increase from \$175 Million to \$350 Million.
- o The payout is interpolated on a straight line for Improvement in EVA not shown in the table.

EVA = Net Operating Profit Before Tax - Capital Charge

Net Operating Profit Before Tax (NOPBT)* =

- Income from operating assets
- + Imputed interest of capitalized lease obligations
- + Increase (decrease) in LIFO reserve
- Amortization of restructuring losses

* Unusual nonrecurring and nonoperating income or expense items do not affect NOPBT

Capital Charge = EVA Capital x 16%

EVA Capital** =

- Operating Capital
- + Imputed capital value of lease obligations
- + Total LIFO reserve account
- Gain from the sale of assets
- + Unamortized restructuring losses

** Nonrecurring and nonoperating losses do not affect Operating Capital. There may be adjustments to Operating Capital for strategic investments while they are under construction and up to two additional years subject to approval by the Executive Compensation Committee of the Board.

1986 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

(As Amended Through December 7, 1995)

BOISE CASCADE CORPORATION

1986 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1986 Executive Officer Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing executive officers of the Company the opportunity to defer a portion of their compensation and thereby encourage their productive efforts.

2. Definitions.

2.1 Change in Control. A Change in Control shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a Change in Control of the Company (a "Transaction") shall not constitute a Change in Control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title, and the like; (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.2 Compensation. A Participant's salary, commission, bonus and other payments for personal services rendered by a Participant to the Company during a calendar year. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursement, cost-of-living allowance, education allowance, premium on excess group life insurance, or any Company contribution to the Pension Plan or the Savings and Supplemental Retirement Plan; and the fact that an amount constitutes taxable income to the Participant shall not be controlling for this purpose. Compensation shall not include any taxable income realized by, or payments made to, an employee as a result of the grant or exercise of an option to acquire stock of the Company or as a result of the disposition of such stock, and shall not include compensation resulting from any long-term incentive plan.

2.3 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.4 Deferred Compensation and Benefits Trust. An irrevocable trust or trusts established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust contains the following additional provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee or trustees subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.5 Disability. A condition that totally and continuously prevents the Participant, for at least six consecutive months, from engaging in an "occupation" for Compensation or profit. During the first 24 months of total Disability, "occupation" means the Participant's occupation at the time the Disability began. After that period, "occupation" means any occupation for which the Participant is or becomes reasonably fitted by education, training, or experience. Notwithstanding the foregoing, a Disability shall not exist for purposes of this Plan if the Participant fails to qualify for Disability benefits under the Social Security Act, unless the Company determines, in its sole discretion, that a Disability exists.

2.6 Early Retirement Date. The date of a Participant's Termination of Employment for reasons other than

death or Disability, prior to attainment of age 65 but subsequent to attaining age 55, and after completing ten Years of Service with the Company.

2.7 Executive Officer. The Chairman of the Board and Chief Executive Officer, the President and Chief Operating Officer, any Executive Vice President, any Senior Vice President, any Vice President, the Secretary, the Treasurer, or the Controller of the Company.

2.8 Minimum Death Benefit. The Minimum Death Benefit shall be equal to the sum of the following:

(a) The Minimum Death Benefit to which a Participant is entitled for the deferrals and corresponding Company Contributions made to the Plan for the period January 1, 1987, through December 31, 1990, which shall be an amount equal to three times the Participant's total expected deferrals up to a maximum of \$500,000.

and

(b) The Minimum Death Benefit to which a Participant is entitled for the deferrals and corresponding Company Contributions to the Plan for the period January 1, 1992, through December 31, 1995, which shall be an amount equal to three times the Participant's total expected deferrals up to a maximum of \$500,000.

The amount of the Minimum Death Benefit payable under this Section 2.8 shall be subject to adjustment in the event there is an alteration of the amount to be deferred as provided in Section 4.3.

2.9 Moody's Times 130%. The Company shall accumulate the Participant's deferred compensation with monthly interest equivalent to an annualized rate of 130% times Moody's Composite Average of Yields on Corporate Bonds for the preceding calendar month as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto), or, if such monthly yield is no longer published, a substantially similar average selected by the Board.

2.10 Normal Retirement Date. The first day of the month coincident with or next following a Participant's 65th birthday.

2.11 Participant. An Executive Officer who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.12 Pension Plan. The Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

2.13 Potential Change in Control. A "Potential Change in Control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.14 Service. Service as accumulated under the Company's Pension Plan.

2.15 Termination of Employment. The Participant's ceasing to be employed by the Company for any reason

whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement, death or Disability.

2.16 Year of Service. A Year of Vesting Service, as provided in the Company's Pension Plan.

3. Administration and Interpretation of the Plan. The Company shall administer and interpret the Plan, and interpretation by the Company shall be final and binding upon a Participant. The Company may adopt rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Company may also delegate administrative responsibilities to advisors or other persons who are not employees of the Company and may rely upon information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

4. Participant Compensation Deferral.

4.1 Compensation Deferral. Prior to January 1, 1987, an Executive Officer who wishes to participate in the Plan shall execute a written Deferred Compensation Agreement, in the format provided by the Company, whereby the Executive Officer elects to defer a portion of his or her Compensation otherwise earned and payable on or after January 1, 1987, and through the four-year period ending December 31, 1990. An Executive Officer who is contributing to the 1982 Executive Officer Deferred Compensation Plan on January 1, 1987, shall elect prior to January 1, 1987, to participate in this Plan for four full calendar years beginning January 1 of the calendar year after his or her contributions cease to the 1982 Executive Officer Deferred Compensation Plan. Prior to January 1, 1991, an Executive Officer who wishes to participate in the Plan through the period ending December 31, 1995, shall execute a written Deferred Compensation Agreement covering such period. The amount of annual Compensation to be deferred shall be in whole percentage increments as specified in the applicable Deferred Compensation Agreement. The period during which Compensation is reduced shall be the calendar years specified in the Deferred Compensation Agreement. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 Participation in the Plan. An Executive Officer who first attains such status subsequent to January 1, 1987, and prior to December 31, 1991, and who continues to retain his status as an Executive Officer, shall be entitled to participate in the Plan until December 31, 1995, and shall be bound by all the other terms and conditions of the Plan. An Executive Officer who first attains such status subsequent to January 1, 1992, and prior to December 31, 1995, shall be entitled to participate in the Plan until December 31, 1995, and shall be bound by all the other terms and conditions of the Plan. An Executive Officer shall complete a Deferred Compensation Agreement within 30 days of becoming eligible and being notified of the terms and conditions of the Plan. Contributions to the Plan shall commence the first of the month following the completion of the Deferred Compensation Agreement. The Company shall notify a new Participant promptly upon becoming eligible.

4.3 Alteration of Compensation Deferral. The amount of compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Company. A request to alter the amount of compensation deferred must be submitted by a Participant in writing to the Company prior to January 1 of the year for which such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Company, the modification shall affect only future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

4.4 Company Contribution. The Company shall, at the election of a Participant, contribute an additional amount equal to 4.2% of the Participant's Compensation to the Plan, to be used to provide benefits as specified in the Deferred Compensation Agreement. If a Participant elects to have such amount contributed under the Deferred Compensation Agreement, the Company shall not make any matching contribution for such Participant under the Company Savings and Supplemental Retirement Plan.

4.5 Continuation of Contribution. Should there be a Termination of Employment by a Participant prior to having completed the entire period of participation determined in accordance with Sections 4.1 or 4.2, the Participant may elect, subject to the approval of the Company, to continue contributing to the Plan at the same rate in effect upon Termination of Employment for such period of time, up to and including the entire period of participation determined in

accordance with Sections 4.1 or 4.2, as may be approved by the Company, in which case he or she will continue to be a Participant and be bound by all the other terms and conditions of the Plan. In any such case, the Company may continue its contributions or may require the Participant to contribute the amounts formerly contributed by the Company.

5. Payment of Deferred Amounts.

5.1 Participant Account. The Company shall maintain for each Participant an account by accumulating his deferred compensation plus the company contribution, if any, and, each month, the account shall be updated with a monthly rate of interest equal to Moody's Times 130%.

5.2 Return of Deferrals. At the time a Participant executes the Deferred Compensation Agreement, he may elect to receive a return of his deferrals. Each such return of deferral shall be made in a lump sum, seven years after the end of the calendar year in which the deferral is made. Prior to January 1 of the year preceding the year in which any return of deferral is to be made, the Participant may request to defer a portion or all of the payment of the return of deferral until such time as the account would otherwise be paid and such request shall be approved or denied at the sole discretion of the Company. Any return of deferral paid shall be deemed a distribution, and, accordingly, shall be deducted from the Participant's account and shall reduce the benefits provided under this section by the dollar amount of any such payments.

5.3 Plan Benefits. Upon Termination of Employment for reasons other than disability, a Participant shall be paid his account in a lump sum or in equal monthly installments calculated to distribute his account plus accrued interest for a period of not more than 15 years. Payments shall commence on the date and shall be made in the manner elected by the Participant in the Deferred Compensation Agreement. Unpaid balances under the installment election continue to earn interest at the rate of Moody's Times 130%. If a Participant does not make an election, his account shall be paid out in monthly installments over 15 years beginning January 1 of the year following Termination of Employment. The Participant may request other forms of payout which are subject to approval by the Company, pursuant to Section 5.4.

5.4 Change of Election. A Participant may request a change in the payout election anytime prior to January 1 of the year benefits are scheduled to be paid, provided that the request is received by the Company at least 30 days prior to the date benefits are scheduled to be paid. The changed payout election must be one of the payout options in the original deferral agreement. Such request must be in writing and shall be approved or denied at the sole discretion of the Company. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

Notwithstanding any provision in this Plan to the contrary, a Participant or Beneficiary may at any time request a single lump-sum payment of the amount credited to an account or accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the Participant's accumulated account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such accumulated account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in such event any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during this 12-month period.

5.5 Payment on Death After Benefits Commence. If a Participant dies after his benefits have commenced and prior to the distribution of his entire Participant Account, his beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement.

5.6 Death Benefit. If a Participant should die while a Participant in the Plan and prior to the commencement of Plan distributions, the Company shall pay his or her designated beneficiary or beneficiaries the greater of the accumulated account balance or the Minimum Death Benefit. Payments shall be made as specified in the Deferred Compensation Agreement. The Participant Account shall be updated with a monthly rate of interest equal to Moody's Times 130%.

5.7 Disability Benefit. For a Participant who made deferrals into the Plan prior to January 1, 1991, and who terminates prior to attaining age 65 due to a Disability, the Company shall pay the Participant in monthly installments commencing on the first day of the seventh consecutive month following the Participant's Disability, the Disability Benefit specified in the Deferred Compensation Agreement until the Participant attains his Normal Retirement Date or ceases to be totally and continuously disabled. The maximum Disability Benefit shall be an amount which when combined with Primary Social Security, company-sponsored group Long-Term Disability and disability benefits from other deferred compensation plans is equal to 80% of predisability salary. For the purpose of this maximum, the 80% of predisability salary shall be indexed to the Consumer Price Index. After a Participant who is receiving a Disability Benefit attains his Normal Retirement Date, he shall be entitled to be paid his account in accordance with the form of payment elected in the Deferred Compensation Agreement. If a Participant dies while receiving a Disability Benefit, the Participant's beneficiary shall receive the Death Benefit pursuant to Section 5.6. If a Participant meets the requirements for a Disability Benefit and the amount of the Disability Benefit on the Deferred Compensation Agreement is \$0, or if there is no Disability Benefit stated on such Participant's Deferred Compensation Agreement, then the Participant's Account shall be paid in monthly installments over a 15-year period beginning the month the Disability Benefit would have been paid and unpaid account balances shall accumulate at Moody's Times 130%.

A Participant who makes deferrals into this Plan subsequent to December 31, 1991, shall be entitled to, in addition to the Disability Benefit described above, a Disability Benefit equal to the remaining balance, if any, of his or her Participant Account. The payment, timing, and amount of the benefit shall be consistent with the previous paragraph pertaining to a Participant's Disability Benefit.

5.8 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Employment Not Guaranteed by Plan. Neither this Plan nor any action taken hereunder shall be construed as giving a Participant the right to be retained as an Executive Officer or as an employee of the Company for any period.

6.3 Taxes. The Company shall deduct from all payments made hereunder all applicable federal or state taxes required by law to be withheld from such payments.

6.4 Construction. The Plan shall be construed according to the laws of the state of Idaho.

6.5 Form of Communication. Any election, application, claim, notice or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company shall

prescribe. Such communication shall be effective upon mailing, if sent by first-class mail, postage prepaid, and addressed to the Company's office at One Jefferson Square, Boise, Idaho 83728.

7. No Reduction in Pension Benefit. To compensate a Participant for any reduction in pension benefits under the Pension Plan which may result from a Participant's deferring Compensation under this Plan, the Company shall pay to the Participant an amount equal to the reduction in pension benefits in the same manner and at the same time as such benefits would have been paid under the Pension Plan.

8. Amendment and Termination. The Board of Directors may, at any time, amend the Plan, provided that the amendment shall not adversely affect any right or benefit of a Participant under the Plan without the prior consent of a Participant.

9. Unsecured General Creditor. Except as provided in Section 10 hereof, participants and their beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest or claims in any property or assets of the Company, nor shall they be beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Company ("Policies"). Such Policies or other assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets and Policies shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future.

10. Deferred Compensation and Benefits Trust. The Company is establishing a Deferred Compensation and Benefits Trust ("Trust"), and the Company shall comply with the terms of the Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105 percent of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Agreement (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan.

1983 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

(As Amended Through December 7, 1995)

BOISE CASCADE CORPORATION

1983 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1983 Board of Directors Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing directors of the Company the opportunity to defer a portion or all of their Compensation and thereby encourage their productive efforts.

2. Definitions.

2.1 Change in Control. A "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction

which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like, (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company, or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.2 Compensation. A Participant's fees for personal services rendered by a Participant as a director of the Company during a calendar year. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursements.

2.3 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.4 Deferred Compensation and Benefits Trust. An irrevocable trust or trusts established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust contains the following additional provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee or trustees subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.5 Director. A member of the Board of Directors of Boise Cascade Corporation as elected by the shareholders.

2.6 Early Benefit Commencement Date. The first day of the month following a Participant's Termination for reasons other than death prior to attainment of age 70 or after the four-year deferral the date selected by a Participant to begin benefit payments. An election to begin benefit payments must be made prior to January 1 of the year in which benefits commence.

2.7 Minimum Death Benefit. The Minimum Death Benefit shall be a multiple of the total amount of Compensation to be deferred over the four-year period. The multiple shall be determined according to the Participant's age at the beginning of the Plan (January 1, 1984):

Age	Multiple of Deferred Compensation
65 and over	2
60	3
55	4
50	5

The Multiple shall be interpolated to the Participant's age on his or her last birth date on the date the Participant begins deferrals under the Plan. For example, Age 54 would have a multiple of 4.2.

2.8 Moody's Plus 4%. The Company shall accumulate the Participant's deferred compensation with monthly interest equivalent to an annualized rate of 4% more than Moody's Composite Average of Yields on Corporate Bonds for the preceding calendar month as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto), or, if such monthly yield is no longer published, a substantially similar average selected by the Board.

2.9 Normal Benefit Commencement Date. The first day of the month coincident with or next following a Participant's 70th birthday.

2.10 Participant. A Director who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.11 Potential Change in Control. A "potential change in control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a change in control of the Company, (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a change in control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a potential change in control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.12 Termination. The Participant's ceasing to be a Director of the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of death.

3. Administration and Interpretation of the Plan. The Company shall administer and interpret the Plan, and interpretation by the Company shall be final and binding upon a Participant. The Company may adopt rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Company may also delegate administrative responsibilities to advisors or other persons who are not employees of the Company and may rely upon information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

4. Participant Compensation Deferral.

4.1 Compensation Deferral. Prior to December 20, 1983, a Director who wishes to participate in the Plan shall execute a written Deferred Compensation Agreement, in the format provided by the Company, whereby the Director elects to defer a portion of his Compensation otherwise earned and payable on or after January 1, 1984. The amount of annual Compensation to be deferred shall be a minimum of \$5,000 per year and increments of \$1,000 up to all Compensation. The period during which Compensation is deferred shall be the four (4) calendar years immediately following 1983. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 New Directors. A Director who first attains such status subsequent to January 1, 1984, shall be entitled to participate in the Plan for all full calendar years after being elected a Director and prior to January 1, 1988, and shall be bound by all terms and conditions of the Plan.

4.3 Alteration of Compensation Deferral. The amount of Compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Company. A request to alter the amount of Compensation deferred shall be submitted by a Participant in writing to the Company prior to January 1 of the year that such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Company, the modification shall be effective for all future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

4.4 Prior Deferrals. A Participant may transfer to this Plan any account balance that he or she may have, as of December 31, 1983, under the Boise Cascade Corporation Directors' Deferred Compensation Policy, adopted December 16, 1971. The election to transfer must be made prior to December 31, 1983.

5. Payment of Deferred Amounts.

5.1 Participant Account. The Company shall maintain for each Participant an account by accumulating his Compensation deferred and, each month, the account shall be updated with a monthly rate of interest equal to Moody's plus 4%.

5.2 Plan Benefits. Upon Early or Normal Benefit Commencement Date, a Participant shall be paid his account in a lump sum or in equal quarterly installments calculated to distribute his account plus accrued interest for a period of not more than 15 years. Unpaid balances under the installment election continue to earn interest at the rate of Moody's plus 4%. The Participant shall elect the method of payment prior to the calendar year in which the first installment is made. If a Participant does not make an election, his account shall be paid out in quarterly installments over 15 years. A Participant may request a change in the payout election anytime prior to January 1 of the year benefits are scheduled to be paid, provided that the request is received by the Company at least 30 days

prior to the date benefits are scheduled to be paid. The changed payout election must be one of the payout options in the original deferral agreement. Such request must be in writing and shall be approved or denied at the sole discretion of the Company. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

5.3 Payment on Death After Benefits Commence. If a Participant dies after his benefits have commenced and prior to the distribution of his entire account, his beneficiary shall receive any benefit payments that would have been paid to the Participant. In lieu of the monthly benefit payments, upon the request of the Participant's beneficiary, the Company may, in its sole discretion, make a lump-sum payment to the Participant's beneficiary.

5.4 Death Benefit. If a Participant should die while a Participant in the Plan and prior to the commencement of Plan distributions, the Company shall pay his or her designated beneficiary or beneficiaries the greater of the accumulated account balance or the Minimum Death Benefit.

Notwithstanding any provision in this Plan to the contrary, a Participant or Beneficiary may at any time request a single lump-sum payment of the amount credited to an account or accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the Participant's accumulated account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such accumulated account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in such event any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during this 12-month period.

5.5 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Taxes. The Company shall deduct from all payments made hereunder all applicable federal or state taxes which may be required by law to be withheld from such payments.

6.3. Construction. The Plan shall be construed according to the laws of the State of Idaho.

6.4 Form of Communication. Any election, application, claim, notice or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company shall prescribe. Such communication shall be effective upon mailing, if sent by first class mail, postage prepaid, and addressed to the Company's office at One Jefferson Square, Boise, Idaho 83728.

6.5 Unsecured General Creditor. Except as provided in Section 8 hereof, participants and their beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interest or claims in any property or assets of the Company, nor shall they be beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired to the Company ("Policies"). Such Policies or other assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets and Policies shall be, and remain, the general,

unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future.

7. Amendment and Termination. The Board of Directors may, at any time, amend the Plan, provided that the amendment shall not adversely affect any right or benefit of a Participant accrued under the Plan prior to the amendment without the prior consent of a Participant.

8. Deferred Compensation and Benefits Trust. The Company is establishing a Deferred Compensation and Benefits Trust ("Trust"), and the Company shall comply with the terms of the Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105 percent of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Agreement (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan.

1982 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

(As Amended Through December 7, 1995)

BOISE CASCADE CORPORATION
1982 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1982 Executive Officer Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing executive officers of the Company the opportunity to defer a portion of their compensation and thereby encourage their productive efforts.

2. Definitions.

2.1 Change in Control. A "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or

transaction which would otherwise constitute a Change in Control of the Company (a "Transaction") shall not constitute a Change in Control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title, and the like; (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.2 Compensation. A Participant's salary, commission, bonus and other payments for personal services rendered by a Participant to the Company during a calendar year. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursement, cost-of-living allowance, education allowance, premium on excess group life insurance, or any Company contribution to the Pension Plan or the Savings and Supplemental Retirement Plan; and the fact that an amount constitutes taxable income to the Participant shall not be controlling for this purpose. Compensation shall not include any taxable income realized by, or payments made to, an employee as a result of the grant or exercise of an option to acquire stock of the Company or as a result of the disposition of such stock, and shall not include compensation resulting from any long-term incentive plans such as the Company's Performance Share Plan.

2.3 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his or her Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.4 Deferred Compensation and Benefits Trust. An irrevocable trust or trusts established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust contains the following additional provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee or trustees subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust

shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.5 Disability. A condition that totally and continuously prevents the Participant, for at least six consecutive months, from engaging in an "occupation" for Compensation or profit. During the first 24 months of total Disability, "occupation" means the Participant's occupation at the time the Disability began. After that period, "occupation" means any occupation for which the Participant is or becomes reasonably fitted by education, training, or experience. Notwithstanding the foregoing, a Disability shall not exist for purposes of this Plan if the Participant fails to qualify for Disability benefits under the Social Security Act, unless the Company determines, in its sole discretion, that a Disability exists.

2.6 Early Retirement Date. The date of a Participant's Termination of Employment for reasons other than death or Disability, prior to attainment of age 65 but subsequent to attaining age 55, and after completing ten (10) Years of Service with the Company. For purposes of this Section, a Participant's age and Years of Service shall be determined by taking into account any imputation of age or service permitted under any special early retirement program(s) offered by the Company.

2.7 Executive Officer. The Chairman of the Board and Chief Executive Officer, the President and Chief Operating Officer, any Executive Vice President, any Senior Vice President, any Vice President, the Secretary, the Treasurer, or the Controller of the Company.

2.8 Normal Retirement Date. The first day of the month coincident with or next following a Participant's 65th birthday.

2.9 Participant. An Executive Officer who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.10 Pension Plan. The Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

2.11 Potential Change in Control. A "Potential Change in Control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a change in control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.12 Service. Service as accumulated under the Company's Pension Plan.

2.13 Termination of Employment. The Participant's ceasing to be employed by the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement, death or Disability.

2.14 Year of Service. A Year of Vesting Service, as provided in the Company's Pension Plan.

3. Administration and Interpretation of the Plan. The Company shall administer and interpret the Plan, and interpretation by the Company shall be final and binding upon a

Participant. The Company may adopt rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Company may also delegate administrative responsibilities to advisors or other persons who are not employees of the Company and may rely upon information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

4. Participant Compensation Deferral.

4.1 Compensation Reduction. Prior to January 1, 1983, an Executive Officer who wishes to participate in the Plan shall execute a written Deferred Compensation Agreement, in the format provided by the Company, whereby the Executive Officer elects to defer a portion of his or her Compensation otherwise earned and payable on or after January 1, 1983. The amount of annual Compensation to be deferred shall be in whole percentage increments of not less than 6% nor greater than 10% of Compensation. The period during which Compensation is reduced shall be the four (4) calendar years immediately following 1982. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 Participation After January 1, 1983. An Executive Officer who first attains such status subsequent to January 1, 1983, and prior to January 1, 1987, shall be entitled to participate in the Plan for four (4) full calendar years after being elected an Executive Officer and shall be bound by all the other terms and conditions of the Plan. An Executive Officer who, although eligible, elects not to participate in the Plan, may subsequently and with the approval of the Company become a Participant before January 1, 1987, for such a period of time, up to and including four (4) full calendar years from the commencement of participation, as may be approved by the Company, in which case he or she shall be bound by all the other terms and conditions of the Plan.

4.3 Alteration of Compensation Deferral. The amount of Compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Company. A request to alter the amount of Compensation deferred shall be submitted by a Participant in writing to the Company prior to January 1 of the year that such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Company, the modification shall be effective for all future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

4.4 Company Contribution. The Company shall, at the election of a Participant, contribute an additional amount equal to 3.6% (however, effective July 1, 1989, this amount shall be increased to 4.2%) of the Participant's Compensation to the Plan, to be used to provide benefits as specified in the Deferred Compensation Agreement. If a Participant elects to have such amount contributed under the Deferred Compensation Agreement, the Company shall not make any matching contribution for such Participant under the Company Savings and Supplemental Retirement Plan.

4.5 Continuation of Contribution. Should there be a Termination of Employment by a Participant prior to having completed the entire period of participation determined in accordance with Sections 4.1 or 4.2, the Participant may elect, subject to the approval of the Company, to continue contributing to the Plan at the same rate in effect upon Termination of Employment for such period of time, up to and including the entire period of participation determined in accordance with Sections 4.1 or 4.2, as may be approved by the Company, in which case he or she will continue to be a Participant and be bound by all the other terms and conditions of the Plan. In any such case, the Company may continue its contributions or may require the Participant to contribute the amounts formerly contributed by the Company.

5. Payment of Deferred Amounts.

5.1 Normal Benefit. Unless a Participant is otherwise receiving a benefit under this Plan, and except as provided in this Section, the Company shall pay to a Participant in 180 equal monthly installments commencing on the Participant's Normal Retirement Date, as compensation earned for services rendered prior to such date, the Normal Benefit amount specified in the Deferred Compensation Agreement (the "Normal Benefit"). If a Participant is employed by the Company after attaining age 65, payment of the Normal Benefit shall commence on the first day of the month following the Participant's Termination of Employment.

5.2 Payment Upon Death After Normal Retirement. If a Participant entitled to the Normal Benefit dies after his or her Normal Retirement Date, his or her beneficiary shall receive any Normal Benefit payments that would have been paid to the

Participant. In lieu of the monthly Normal Benefit payments, upon the request of the Participant's beneficiary, the Company may, in its sole discretion, make an actuarially determined equivalent lump-sum payment to the Participant's beneficiary.

5.3 Early Benefit. If a Participant terminates employment on an Early Retirement Date, the Company shall pay to the Participant, in 180 equal monthly installments commencing on the first day of the month coincident with or next following the Early Retirement Date, as compensation earned for services rendered prior to such time, the Early Benefit amount specified in the Deferred Compensation Agreement corresponding to the Participant's age on his or her Early Retirement Date or an amount actuarially determined if a Participant's Early Benefit is not specified for that age (the "Early Benefit"). Subject to approval by the Company, a Participant may elect to defer commencement of payment of the Early Benefit. This election shall be in writing and submitted to the Company prior to January 1 of the year of the Participant's Early Retirement Date, and at least 30 days prior to the Participant's Early Retirement Date. If a Participant makes such an election, the Company shall pay the Participant in 180 equal monthly installments the Early Benefit specified in the Deferred Compensation Agreement corresponding to the Participant's age on the date to which the deferral has been made or an amount actuarially determined if a Participant's Early Benefit is not specified for that age -- or if a Participant elects to defer payment of such benefit past the first day of month after attaining age 65, the Normal Benefit. If a Participant dies before receiving 180 monthly Early Benefit payments, his or her beneficiary shall receive any unpaid Early Benefits that would have been paid to the Participant. In lieu of the monthly Early Benefit payments, upon the request of the Participant's beneficiary, the Company may, in its sole discretion, make an actuarially determined equivalent lump-sum payment to the Participant's beneficiary.

A Participant who terminates employment prior to attaining age 55, but who has completed ten (10) Years of Service, may elect, subject to approval by the Company, to commence receiving an Early Benefit at any time between ages 55 and 65, in accordance with the provisions of this Section. This election shall be in writing and submitted to the company prior to the end of the calendar year preceding the year in which the Participant elects to commence receiving the Early Benefit.

The provisions of this Section 5.3 shall apply to a Participant who is continuing to make contributions pursuant to Section 4.5, except that such Participant shall be deemed for this purpose only to have terminated employment upon the expiration of the period of continued participation as determined in accordance with Section 4.5.

Notwithstanding any provision in this Plan to the contrary, an Executive Officer or Beneficiary may request at any time a single lump-sum payment of his or her benefit described under the Plan. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company received the request for the distribution. The amount of the payment shall be equal to (i) the actuarial equivalent of the benefit described under Sections 5.1, 5.2, or 5.3 as determined by the same actuarial adjustment used under the Salaried Plan with respect to the determination of the amount payable as a lump-sum distribution, using the assumptions used for purposes of calculating such present values under the Salaried Plan and 120% of the applicable PBGC interest rate (the "Plan Benefit"), and reduced by (ii) an amount equal to 10% of the Plan Benefit. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in such event any deferred compensation agreement pursuant to any nonqualified deferred compensation plan of the Company shall not be effective with respect to compensation payable to the Participant during this 12-month period.

5.4 Disability Benefit. If a Participant terminates employment with the Company prior to attaining age 65 due to a Disability, the Company shall pay the Participant in monthly installments commencing on the first day of the seventh consecutive month following the Participant's Disability, the Disability Benefit specified in the Deferred Compensation Agreement until the Participant attains his or her Normal Retirement Date or ceases to be totally and continuously disabled (the "Disability Benefit"). After a Participant who is receiving a Disability Benefit attains his or her Normal Retirement Date, he shall be entitled to the Normal Benefit. If a Participant dies while receiving a Disability Benefit, the Participant's beneficiary shall receive the Survivor's Benefit pursuant to Section 5.6.

5.5 Termination Benefit. Except as provided in

Sections 5.3, 5.4, and 5.6, upon a Participant's Termination of Employment prior to completing one (1) year of participation in the Plan, the Company shall pay to a Participant, as Compensation earned for services rendered, a lump-sum amount equal to: (i) the amount of Compensation deferred pursuant to the Participant's Deferred Compensation Agreement, plus interest on the amount deferred at the Bank of America prime interest rate as of the first business day of that calendar year, compounded annually from the dates of the deferrals; and (ii) any Company contribution credited on behalf of the Participant if the Participant is fully vested in the Company Savings and Supplemental Retirement Plan, plus interest at the Bank of America prime interest rate as of the first business day of that calendar year, compounded annually from the dates of contribution. Such payment shall be made within 60 days following Termination of Employment.

If Termination of Employment occurs after one (1) year of participation in the Plan, the benefits provided in Sections 5.1, 5.2, 5.3, and 5.7 shall be multiplied by a percentage corresponding to the years of participation in the Plan, based on the following schedule:

Years of Participation	Percentage
1 but less than 2	75
2 but less than 3	85
3 but less than 4	93
4 and Over	100

5.6 Survivor's Benefit. If a Participant dies while employed by the Company, or after Termination of Employment if receiving a Disability Benefit, or if eligible for (but not yet receiving) an Early Benefit or Normal Benefit, the Company shall pay to the Participant's beneficiary, in equal monthly installments commencing on the first day of the month after the Participant's death, the Survivor's Benefit specified in the Deferred Compensation Agreement until the Participant would have attained age 65; however, such payments shall continue in any event for at least 180 months.

5.7 Proportionate Benefit. All benefits payable under this Section 5 shall be proportionately adjusted by a fraction, the numerator of which is the actual dollar amount deferred by a Participant and the denominator of which is the product of the Stated Deferral specified in the Deferred Compensation Agreement multiplied by four. For the purpose of determining the benefit payable under Sections 5.4 or 5.6, in the event of Disability, or death prior to January 1, 1987, the denominator of the above-referenced fraction shall be the product of the Stated Deferral specified in the Deferred Compensation Agreement multiplied by the actual years (and fractions thereof) of deferral.

5.8 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

5.9 Deferred Compensation and Benefits Trust. The Company is establishing a Deferred Compensation and Benefits Trust ("Trust"), and the Company shall comply with the terms of the Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105 percent of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Agreement (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Employment Not Guaranteed by Plan. Neither this

Plan nor any action taken hereunder shall be construed as giving a Participant the right to be retained as an Executive Officer or as an employee of the Company for any period.

6.3 Taxes. The Company shall deduct from all payments made hereunder all applicable Federal or state taxes required by law to be withheld from such payments.

6.4 Construction. The Plan shall be construed according to the laws of the state of Idaho.

6.5 Form of Communication. Any election, application, claim, notice or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company shall prescribe. Such communication shall be effective upon mailing, if sent by first-class mail, postage prepaid, and addressed to the Company's office at 1111 West Jefferson Street (83702), P.O. Box 50, Boise, Idaho 83728-0001.

7. No Reduction in Pension Benefit. To compensate a Participant for any reduction in pension benefits under the Pension Plan which may result from a Participant's deferring Compensation under this Plan, the Company shall pay to the Participant an amount equal to the reduction in pension benefits in the same manner and at the same time as such reduced benefits would have been paid under the Pension Plan.

8. Amendment and Termination. The Board of Directors may, at any time, amend the Plan, provided that the amendment shall not adversely affect any right or benefit of a Participant under the Plan without the prior consent of a Participant.

SUPPLEMENTAL EARLY RETIREMENT PLAN FOR EXECUTIVE OFFICERS

(As Amended Through December 7, 1995)

BOISE CASCADE CORPORATION

SUPPLEMENTAL EARLY RETIREMENT PLAN FOR EXECUTIVE OFFICERS

1. Purpose of the Plan. The purpose of this Supplemental Plan is to facilitate the orderly succession of Executive Officers with continuity of management by providing additional Early Retirement Benefits for the Executive Officers.

2. Definitions.

2.1 "Board of Directors" shall mean the Board of Directors of Boise Cascade Corporation.

2.2 "Change in Control." A Change in Control shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as

their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title, and the like; (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.3 "Committee." The Retirement Committee of the Company appointed by the Board of Directors, which in addition to its other duties and responsibilities, shall have the duties and responsibilities set out in Article V of this Supplemental Plan.

2.4 "Company." Boise Cascade Corporation, a corporation organized and existing under the laws of the state of Delaware, or its successor or successors.

2.5 "Competitor." Any business, foreign or domestic, which is engaged, at any time relevant to the provisions of this Supplemental Plan, in the manufacture, sale or distribution of products, or in the providing of services, in competition with products manufactured, sold or distributed, or services provided, by the Company.

2.6 "Deferred Compensation and Benefits Trust." An irrevocable trust or trusts established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust contains the following additional provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee or trustees subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.7 "Early Retirement Date." The first day of the month coincident with or next following an Executive Officer's fifty-fifth birthday. If an Executive Officer does not actually end employment with the Company as of the date indicated in the preceding sentence but does terminate at a later date which is before his Normal Retirement Date, the term "Early Retirement Date" shall refer, if the context so indicates, to the date of actual retirement.

2.8 "Early Retirement Benefits" The benefits that will be paid to an Executive Officer who retires from the Company under the provisions of this Supplemental Plan.

2.9 "Effective Date." The date this Supplemental Plan becomes effective as established by the Board of Directors.

2.10 "Involuntary Retirement." The termination of employment of an Executive Officer by action of the Company or the Board of Directors prior to an Executive Officer's Normal Retirement Date but after the Executive Officer has completed ten or more years of service and has reached the age of at least fifty-five years.

2.11 "Executive Officer." A person employed by the Company as an executive officer as that term is defined by the Securities and Exchange Commission.

2.12 "Normal Retirement Date." The first day of the month coincident with or next following an Executive Officer's sixty-fifth birthday.

2.13 "Potential Change in Control." A Potential Change in Control of the Company shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.14 "Salaried Plan." The Boise Cascade Corporation Pension Plan for Salaried Employees and the Boise Cascade Corporation Excess Benefit Plan as they currently are in effect and as amended from time to time after the Effective Date of this Supplemental Plan.

2.15 "Supplemental Plan." The Boise Cascade Corporation Supplemental Early Retirement Plan for Executive Officers as set forth herein and as amended from time to time after the Effective Date.

2.16 Construction. Except to the extent preempted by federal law, this Supplemental Plan shall be construed according to the laws of the state of Idaho. The masculine gender, where appearing in this Supplemental Plan, shall be deemed to include the feminine gender. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Supplemental Plan, not to any particular provision or section.

3. Eligibility for Early Retirement Benefits.

3.1 Eligibility. An Executive Officer with ten or more years of service with the Company, as defined in the Salaried Plan, whose employment with the Company is terminated through Involuntary Retirement, or who elects early retirement on or after his Early Retirement Date but before his Normal Retirement Date, shall receive the Early Retirement Benefits as set forth in Article IV herein; provided, however, that in the event an Executive Officer's employment is terminated for "cause," as that term is defined by the severance policy of the Company, the Executive Officer shall not be eligible to receive any benefits under this Supplemental Plan.

3.2 Notice. If an Executive Officer is required to take Involuntary Retirement under this Supplemental Plan, he shall be given a written notice thereof and shall be advised of the Early Retirement Benefits to be paid hereunder. Additionally, any eligible Executive Officer desiring to retire under the terms of this Supplemental Plan on or after his Early Retirement Date shall notify the Company of his decision, in writing, at least 30 days in advance of his Early Retirement Date.

4. Early Retirement Benefits.

4.1 Early Retirement Benefits. An Executive Officer who is eligible to retire on his Early Retirement Date but before his Normal Retirement Date and who elects to retire, or who is required to take Involuntary Retirement by the Company during that period, shall receive the Early Retirement Benefits as set forth in Section 4.2 herein.

4.2 Computation of Early Retirement Benefits. The Early Retirement Benefits payable to any Executive Officer who is covered by the provisions of Section 4.1 hereof shall be calculated as follows:

Until age 65, the Early Retirement Benefits payable hereunder shall be an amount equal to the Basic Pension Benefit that would have been payable at age 65 under the Salaried Plan (before reduction to reflect any retirement option selected by the Executive Officer pursuant to Article VII of the Salaried Plan) without reduction on account of early retirement.

Notwithstanding the foregoing, an Executive Officer may make an irrevocable written election at any time up to and including Early Retirement to receive, as an alternative to the amounts described above, Early Retirement Benefits commencing upon Early Retirement equal to the difference between (1) the amount of the Basic Pension Benefit, as defined in the Salaried Plan (before the reduction to reflect any retirement option selected by the Executive Officer pursuant to Article VII of the Salaried Plan), payable to the Executive Officer as of his Early Retirement Date, without reduction for early retirement under the Salaried Plan, and (2) the amount of the Basic Pension Benefit, as defined in the Salaried Plan (before the reduction to reflect any retirement option selected by the Executive Officer pursuant to Article VII of the Salaried Plan), payable to the Executive Officer as of his Early Retirement Date, after application of the reduction factors as set forth in Article VI of the Salaried Plan due to the Executive Officer's election to retire on or after his Early Retirement Date.

If the calculations made pursuant to this Section 4.2 produce no Early Retirement Benefits for an Executive Officer, then this Supplemental Plan shall not apply to that Executive Officer.

The Company will be secondarily liable for the payment of any amounts that are payable from the Salaried Plan.

4.3 Manner and Adjustment of Payment. The Early Retirement Benefits, as computed in Section 4.2 hereof and as provided hereunder, shall, except as provided in Section 4.6 hereof, become an unfunded general obligation of the Company and shall be paid to the Executive Officer in monthly installments as a supplemental retirement benefit. The Early Retirement Benefits shall be paid in the same form as the Executive Officer's benefits selected under the Salaried Plan and shall be actuarially reduced to reflect the optional form of payment, if any, selected by the Executive Officer under Article VII of the Salaried Plan.

4.4 Executive Officer Not to Compete. If an Executive Officer who is receiving Early Retirement Benefits hereunder and who has not yet reached his Normal Retirement Date provides significant services as an employee or consultant, or otherwise renders services of a significant nature for remuneration, to a Competitor, the Company may, in its discretion, cancel all further Early Retirement Benefits due to be payable to the Executive Officer hereunder; and after the date of cancellation, the Executive Officer shall forfeit all future benefits under this Supplemental Plan. The Company may, in its discretion, consent to an Executive Officer's rendering services to a Competitor; and if it does so consent, it may place whatever limitations it considers appropriate on the consent. If the Executive Officer breaches the terms of the consent, the Company may, in its discretion, cancel all further Early Retirement Benefits due to be payable to the Executive Officer hereunder; and after the date of cancellation, the Executive Officer shall forfeit all future benefits under this Supplemental Plan.

4.5 Supplemental Survivor's Retirement Benefit. In the event an Executive Officer eligible for an Early Retirement supplement under the terms of this Supplemental Plan terminates employment by reason of death, his spouse, if any, shall be eligible to receive a supplemental Survivor's Retirement Benefit under this Plan. The amount of the supplemental Survivor's Retirement Benefit shall be equal to the difference between the Survivor's Retirement Benefit payable under the terms of the Salaried Plan and the amount to which the spouse would be entitled under the terms of both this Supplemental Plan and such Salaried Plan if the employee had elected Early Retirement on the date of his death and had elected to receive benefits in the form of a 50% Joint and Survivor Annuity with the spouse as joint annuitant. A surviving spouse shall not be eligible for a supplemental survivor's benefit under this Plan unless the spouse is eligible for a survivor's benefit under the terms of the Salaried Plan.

4.6 Deferred Compensation and Benefits Trust. The Company is establishing a Deferred Compensation and Benefits Trust ("Trust"), and shall comply with the terms of the Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105 percent of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Agreement (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan. For purposes of calculating the amount required to be transferred by the Company to the Trust, any Executive Officer whose employment has not been previously terminated shall be deemed to have elected to retire upon the later of the second anniversary of the Potential Change in Control or the date as of which that calculation is being made and not to have elected the alternative Early Retirement Benefits under Section 4.2 hereof.

5. Duties.

5.1 Committee's Powers. Except as otherwise provided in the Supplemental Plan with regard to the powers of the Company, the Committee shall have control of administration of the Plan, with all powers necessary to enable it to carry out its duties hereunder. The Committee shall have the right to inspect the records of the Company whenever such inspection may be reasonably necessary in order to determine any fact pertinent to the performance of the duties of the Committee. The Committee, however, shall not be required to make such inspection but may, in good faith, rely on any statement of the Company or any of its officers or employees.

5.2 Copy of Supplemental Plan to Be Furnished. The Committee shall furnish a copy of this Supplemental Plan to all present and future Executive Officers of the Company who are or become entitled to be covered under this Supplemental Plan as eligible Executive Officers.

5.3 Records. The Committee shall keep a complete record of all its proceedings and all data necessary for administration of the Supplemental Plan.

5.4 Appeal Procedure. If any Executive Officer feels aggrieved by any decision of the Committee concerning

his benefits hereunder, the Committee shall provide, upon written request of the Executive Officer, specific written reasons for the decision. The Committee shall afford an Executive Officer whose claim for benefits has been denied 60 days from the date notice of denial is mailed in which to request a hearing before the Committee. If an Executive Officer requests a hearing, the Committee shall review the written comments, oral statements and any other evidence presented on behalf of the Executive Officer at the hearing and render its decision within 60 days of such hearing. If the Executive Officer still feels aggrieved by the Committee's decision concerning his benefits hereunder, the Executive Officer can request the Human Resources Committee of the Board of Directors to review his case. The request for hearing must be made in writing within 60 days from the date of the Committee's decision. The Human Resources Committee of the Board of Directors shall review said decision within four months after receiving the Executive Officer's request for review and shall, within a reasonable time thereafter, render a decision respecting the Executive Officer's claim, which shall be final, binding and conclusive.

If any Executive Officer feels aggrieved by any decision of the Company concerning his rights hereunder, the Company shall provide, upon the written request of the Executive Officer, specific written reasons for its decision. If the Executive Officer is not satisfied with the Company's decision with respect to his rights, the Executive Officer can request the Human Resources Committee of the Board of Directors to review his case. The Executive Officer's request must be made within 60 days of the mailing of the Company's written decision, and the Human Resources Committee of the Board of Directors will handle the review in the same manner as set forth above with respect to appeals from Committee decisions.

6. Amendment and Termination.

6.1 Amendment. To provide for contingencies which may require the clarification, modification or amendment of this Supplemental Plan, the Company reserves the right to amend this Supplemental Plan at any time; provided, however, no amendment shall affect any benefits previously granted hereunder to any Executive Officer who elected or was required, pursuant to this Supplemental Plan, to retire early. Further, prior to any amendment of the Supplemental Plan, the Company shall give at least 90 days' prior written notice to any Executive Officer, who at the time of the amendment will be eligible to receive Early Retirement Benefits hereunder, of the proposed amendment and his eligibility to elect early retirement prior to the effective date of the amendment.

6.2 Termination. It is the present intention of the Company to maintain this Supplemental Plan indefinitely. Nonetheless, the Company reserves the right, at any time, to terminate the Supplemental Plan; provided, however, no termination shall affect any benefits previously granted hereunder to an Executive Officer who elected or was required, pursuant to this Supplemental Plan, to retire early; and provided further, that prior to any termination, the Company shall give at least 90 days' prior written notice to any Executive Officer, who at the time of the termination will be eligible to receive Early Retirement Benefits hereunder, of the proposed termination and of his option to elect, prior to the termination, to take early retirement under this Supplemental Plan prior to the effective date of the termination.

7. Miscellaneous.

7.1 Benefits Not Transferable or Assignable. None of the benefits, payments, proceeds, claims or rights of any Executive Officer hereunder shall be subject to the claim of any creditor of the Executive Officer, other than the Company as permitted in Section 7.2 hereof; nor shall any Executive Officer have any right to transfer, assign, encumber or otherwise alienate any of the benefits or proceeds which he may expect to receive, contingently or otherwise, under this Supplemental Plan.

7.2 Setoff. The Company shall have the right to withhold and deduct from payments due hereunder to any Executive Officer any amounts owed by the Executive Officer to the Company which were incurred prior to the Executive Officer's Early Retirement Date.

1987 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

(As Amended Through December 7, 1995)

BOISE CASCADE CORPORATION

1987 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1987 Board of Directors Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing directors of the Company the opportunity to defer a portion or all of their compensation and thereby encourage their productive efforts.

2. Definitions.

2.1 Change in Control. A Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction

which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like, (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company, or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.2 Compensation. A Participant's fees for services rendered by a Participant as a director of the Company during a calendar year. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursements.

2.3 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his or her Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.4 Deferred Compensation and Benefits Trust. An irrevocable trust or trusts established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust contains the following additional provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee or trustees subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.5 Director. A member of the Board of Directors of Boise Cascade Corporation as elected by the shareholders.

2.6 Early Benefit Commencement Date. The date of a Participant's Termination as a Director for reasons other than death, prior to attainment of age 70.

2.7 Minimum Death Benefit. The Minimum Death Benefit shall be equal to the sum of the following:

(a) The Minimum Death Benefit to which a Participant is entitled for the deferrals and corresponding Company Contributions made to the Plan for the period January 1, 1988, through December 31, 1991, which shall be an amount equal to 1.5 times the Participant's total expected deferrals, up to a maximum of \$500,000.

and

(b) The Minimum Death Benefit to which a Participant is entitled for the deferrals and corresponding Company Contributions to the Plan for the period January 1, 1992, through December 31, 1995, which shall be an amount equal to 1.5 times the Participant's total expected deferrals, up to a maximum of \$500,000.

The amount of the Minimum Death Benefit payable under this Section 2.7 shall be subject to adjustment in the event there is an alteration of the amount to be deferred as provided in Section 4.3.

2.8 Moody's Times 130%. The Company shall accumulate the Participant's deferred compensation with monthly interest equivalent to an annualized rate of 130% times Moody's Composite Average of Yields on Corporate Bonds for the preceding calendar month as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto), or, if such monthly yield is no longer published, a substantially similar average selected by the Board.

2.9 Normal Retirement Date. The first day of the month coincident with or next following a Participant's 70th birthday.

2.10 Participant. A Director who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.11 Potential Change in Control. A "potential change in control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a change in control of the Company, (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a change in control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a potential change in control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.12 Termination. The Participant's ceasing to be a Director of the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement or death.

3. Administration and Interpretation of the Plan. The Company shall administer and interpret the Plan, and interpretation by the Company shall be final and binding upon a Participant. The Company may adopt rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Company may also delegate administrative responsibilities to advisors or other persons

who are not employees of the Company and may rely upon information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

4. Participant Compensation Deferral.

4.1 Compensation Deferral. Prior to January 1, 1988, a Director who wishes to participate in the Plan shall execute a written Deferred Compensation Agreement, in the format provided by the Company, whereby the Director elects to defer a portion of his or her Compensation otherwise earned and payable on or after January 1, 1988, and through the four-year period ending December 31, 1991. Prior to January 1, 1992, a Director who wishes to participate in the Plan for the period from January 1, 1992, through December 31, 1995, shall execute a written Deferred Compensation Agreement covering such period. The amount of annual Compensation to be deferred shall be specified in the Deferred Compensation Agreement. The period during which Compensation is deferred shall be the calendar years specified in the Deferred Compensation Agreement immediately following 1987. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 Participation After January 1, 1988. A Director who first attains such status subsequent to January 1, 1988, and prior to December 31, 1991, shall be entitled to participate in the Plan until December 31, 1991, and shall be bound by all the other terms and conditions of the Plan. A Director who first attains such status subsequent to January 1, 1992, and prior to December 31, 1995, shall be entitled to participate in the Plan until December 31, 1995, and shall be bound by all the other terms and conditions of the Plan. A Director shall complete a Deferred Compensation Agreement within 30 days of becoming eligible and being notified of the terms and conditions of the Plan. Contributions to the Plan shall commence the first of the month following the completion of the Deferred Compensation Agreement. The Company shall notify a new Participant promptly upon becoming eligible.

4.3 Alteration of Compensation Deferral. The amount of Compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Company. A request to alter the amount of Compensation deferred must be submitted by a Participant in writing to the Company prior to January 1 of the year for which such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Company, the modification shall affect only future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

5. Payment of Deferred Amounts.

5.1 Participant Account. The Company shall maintain for each Participant an account by accumulating his or her deferred compensation each month, the account shall be updated with a monthly rate of interest equal to Moody's Times 130%.

5.2 Benefits. Upon Termination for reasons other than disability, after completing 5 Years of Participation, or after attaining age 55 with 10 or more Years of Service, a Participant shall be paid his or her account in a lump sum or in equal quarterly installments calculated to distribute his or her account plus accrued interest for a period of not more than 15 years. Payments shall commence on the date and shall be made in the manner elected by the Participant in the Deferred Compensation Agreement. Unpaid balances under the installment election continue to earn interest at the rate of Moody's Times 130%. If a Participant does not make an election, his or her account shall be paid out in quarterly installments over 15 years beginning January 1 of the year following Termination. The Participant may request other forms of payout which are subject to approval by the Company, pursuant to Section 5.3.

5.3 Change of Election. A Participant may request a change in the payout election anytime prior to January 1 of the year benefits are scheduled to be paid, provided that the request is received by the Company at least 30 days prior to the date benefits are scheduled to be paid. The changed payout election must be one of the payout options in the original deferral agreement. Such request must be in writing and shall be approved or denied at the sole discretion of the Company. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

Notwithstanding any provision in this Plan to the contrary, a Participant or Beneficiary may at any time request a single lump-sum payment of the amount credited to an account or accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the Participant's accumulated

account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such accumulated account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in such event any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during this 12-month period.

5.4 Payment on Death After Benefits Commence. If a Participant dies after his or her benefits have commenced and prior to the distribution of his or her entire Participant Account, his or her beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement.

5.5 Death Benefit. If a Participant should die prior to the commencement of Plan distributions, the Company shall pay his or her designated beneficiary or beneficiaries the greater of the accumulated account balance or the Minimum Death Benefit. Payments shall be made as specified in the Deferred Compensation Agreement. The Participant Account shall be updated with a monthly rate of interest of Moody's Times 130%.

5.6 Recipient of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

5.7 Reduction in Benefits. In connection with participation in this Plan, the Company may require the completion of health questionnaires and the taking of physical examinations by Participants. Notwithstanding any other provision of the Plan, in the event of a Participant's death during the first two years of his or her participation in the Plan, if his or her death is the result of suicide, or if a Participant made any material misstatement or failed to make a material disclosure of information in connection with his or her application for participation in the Plan, then in lieu of any other benefits payable under the Plan the Company shall distribute to the Participant or his or her designated beneficiary or beneficiaries a lump-sum payment of his or her accumulated account balance and no Minimum Death Benefit shall be payable. The Company at its sole discretion may extend to a Participant or his or her beneficiary or beneficiaries other benefits provided under the Plan.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Taxes. The Company shall deduct from all payments made hereunder all applicable federal or state taxes required by law to be withheld from such payments.

6.3 Construction. The Plan shall be construed according to the laws of the State of Idaho.

6.4 Form of Communication. Any election, application, claim, notice or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company shall prescribe. Such communication shall be effective upon mailing, if sent by first-class mail, postage prepaid, and addressed to the Company's office at One Jefferson Square, Boise, Idaho 83728.

7. Amendment and Termination. The Board of Directors may, at any time, amend the Plan, provided that the amendment shall not adversely affect any right or benefit of a Participant under the Plan without the prior consent of a Participant.

8. Unsecured General Creditor. Except as provided in Section 9 hereof, participants and their beneficiaries, heirs, successors and assigns shall have no legal or equitable rights,

interest or claims in any property or assets of the Company. Such assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future.

9. Deferred Compensation and Benefits Trust. The Company is establishing a Deferred Compensation and Benefits Trust ("Trust"), and the Company shall comply with the terms of the Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105 percent of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Agreement (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan.

BOISE CASCADE CORPORATION

1984 KEY EXECUTIVE STOCK OPTION PLAN

As Amended Through February 1, 1996

BOISE CASCADE CORPORATION
1984 KEY EXECUTIVE STOCK OPTION PLAN

1. Establishment and Purpose

1.1 Establishment. Boise Cascade Corporation, a Delaware corporation, hereby establishes a Stock Option Plan for key employees, which shall be known as the Boise Cascade Corporation 1984 KEY EXECUTIVE STOCK OPTION PLAN (the "Plan"). It is intended that some of the Options issued pursuant to the Plan may constitute Incentive Stock Options within the meaning of Section 422A of the Internal Revenue Code, and the remainder of the Options issued pursuant to the Plan shall constitute Nonstatutory Options. The Committee referred to in Section 2.1(c) of this Plan shall determine which Options are to be Incentive Stock Options and which are to be Nonstatutory Options and shall enter into Option Agreements with Optionees accordingly.

1.2 Purpose. The purpose of this Plan is to attract, retain and motivate key employees of the Company and to encourage stock ownership by these employees by providing them with a means to acquire a proprietary interest or to increase their proprietary interest in the Company's success.

2. Definitions

2.1 Definitions. Whenever used in this Plan, the following terms shall have the meanings set forth below:

(a) "Board" means the board of directors of the Company.

(b) "Code" means the Internal Revenue Code of 1954, as amended.

(c) "Committee" means the Executive Compensation Subcommittee of the Human Resources Committee of the Board of Directors of the Company or any successor to the subcommittee.

(d) "Company" means Boise Cascade Corporation, a Delaware corporation, as well as any subsidiary of which 50% or more of the outstanding stock is owned by Boise Cascade Corporation.

(e) "Date of Exercise" means the date the Company receives written notice, by an Optionee, of the exercise of an Option or Option and Stock Appreciation Right, pursuant to subsection 8.1 of this Plan.

(f) "Employee" means a key employee (including an officer of the Company), who is employed by the Company on a full-time basis, who is compensated for such employment by a regular salary and who, in the opinion of the Committee, is in a position to contribute materially to its continued growth and development and to its future financial success. The term "Employee" does not include persons who are retained by the Company only as consultants.

(g) "Fair Market Value" means the closing price of the Stock as reported by the consolidated tape of the New York Stock Exchange on a particular date, or if the Stock is not listed or traded on the New York Stock Exchange, then the closing sales price of the Stock on a national securities exchange on a particular date, or if the Stock is not listed on a national securities exchange, then the average of the closing bid and asking prices for the Stock in the over-the-counter market for a particular date, or if the Stock is not traded in the over-the-counter market, such value as the Company in its discretion may determine, but in no event greater than the then fair market value of the Stock for federal income tax purposes. In the event that there are no Stock transactions on such date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Stock transactions.

(h) "Grant Price" means an amount not less than 100% of the Fair Market Value of the Company's Stock on the date of an Option's grant.

(i) "Option" means the right to purchase Stock of the Company at the Grant Price for a specified duration. For purposes of this Plan, an Option may be either (i) an "Incentive Stock Option" within the meaning of Section 422A of the Code or (ii) a "Nonstatutory Option."

(j) "Optionee" means an Employee who has been granted

an Option under this Plan.

(k) "Stock" means the common stock, \$2.50 par value, of the Company.

(l) "Stock Appreciation Right" means the right, exercisable by the Optionee, to receive a cash payment from the Company upon the exercise of an Option. The amount of this cash payment and the conditions upon the exercise of the Stock Appreciation Right shall be determined by the Committee pursuant to subsection 6.2 and Section 7.

(m) "Tax Offset Bonus" means a cash payment which the Company makes automatically upon the exercise of an Option equal to a percentage (as determined by the Committee pursuant to subsection 6.2 and Section 7) of the excess of the Fair Market Value of the Stock on a date determined by the Committee over the Grant Price of the Option, the purpose of which is to offset partially the federal income tax incurred incident to exercising a Nonstatutory Option.

(n) "Window Period" means the period described in Rule 16b-3(e)(3)(iii) under the Securities Exchange Act of 1934.

2.2 Number. Except when otherwise indicated by the context, the definition of any term in the Plan in the singular shall also include the plural.

3. Participation

Participation in the Plan shall be determined by the Committee. Any Employee at any one time and from time to time may hold more than one Option or Stock Appreciation Right granted under this Plan or under any other plan of the Company. No member of the Committee may participate in the Plan.

4. Stock Subject to the Plan

4.1 Number. The total number of shares of Stock as to which Options and Stock Appreciation Rights may be granted under the Plan shall not exceed 8,600,000. These shares may consist, in whole or in part, of authorized but unissued Stock or treasury Stock not reserved for any other purpose.

4.2 Unused Stock. If any shares of Stock are subject to an Option or Stock Appreciation Right which, for any reason, expires or is terminated unexercised as to such shares, such Stock may again be subjected to an Option or Stock Appreciation Right pursuant to this Plan.

4.3 Adjustment in Capitalization. In the event of any change in the outstanding shares of Stock occurring after ratification by shareholders of this Plan, by reason of a Stock dividend or split, recapitalization, reclassification, merger, consolidation, combination or exchange of shares or other similar corporate change, the aggregate number of shares of Stock under this Plan and the number of shares of Stock subject to each outstanding Option and the related Grant Price shall be appropriately adjusted by the Committee, whose determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share. No adjustments shall be made in connection with the issuance by the Company of any warrants, rights or Options to acquire additional shares of Stock or of securities convertible into Stock.

5. Duration of the Plan

The Plan shall remain in effect until all Stock subject to it has been purchased pursuant to the exercise of the Options or Stock Appreciation Rights granted under the Plan. Notwithstanding the foregoing, no Options or Stock Appreciation Rights may be granted pursuant to this Plan on or after the twentieth anniversary of the Plan's effective date.

6. Options

6.1 Grant of Options. Subject to the provisions of subsection 4.1 and Section 5, Options may be granted to Employees at any time and from time to time as shall be determined by the Committee. The Committee may request recommendations from the chief executive officer of the Company. The Committee shall determine whether an Option is to be an Incentive Stock Option within the meaning of Section 422A of the Code or a Nonstatutory Option. However, in no event shall any grant of an Incentive Stock Option provide for the Option to be or become exercisable in amounts in excess of \$100,000 per calendar year. Furthermore, the aggregate number of shares of Stock with respect to which Options or Stock Appreciation Rights may be granted to any one Employee throughout the duration of the Plan may not exceed 15 percent of the total number of shares of Stock available for issuance pursuant to subsection 4.1 of the Plan.

6.2 Option Agreement. As determined by the Committee on the date of grant, each Option shall be evidenced by a Stock Option agreement that specifies:

- (i) Grant Price;
- (ii) duration of the Option;
- (iii) number of shares of Stock to which the Option pertains;
- (iv) vesting requirements, if any;
- (v) whether the Option is an Incentive Stock Option or a Nonstatutory Option;
- (vi) amount and time of payment of Tax Offset Bonuses, if any;
- (vii) The amount of Stock Appreciation Rights, if any, and any conditions upon their exercise;
- (viii) duration of the Stock Appreciation Rights, if any;
- (ix) Options to which the Stock Appreciation Rights, if any, relate;
- (x) rights of the Optionees upon termination of employment with the Company, provided that the termination rights for Optionees receiving Incentive Stock Options shall conform with Section 422A of the Code;
- (xi) the terms of the loan, if any, that will be made available in connection with the exercise of an Option; and
- (xii) such other information as the Committee deems desirable.

No Option shall have an expiration date later than the first day following the tenth anniversary of the date of its grant. The Stock Option agreement may be supplemented by adding Stock Appreciation Rights with or Tax Offset Bonuses to previously granted Options as provided in Section 7.

6.3 Exercise. Options granted under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Committee directs, which need not be the same for all Optionees.

6.4 Payment. The Grant Price upon exercise of any Option shall be payable to the Company in full either:

- (i) in cash;
- (ii) by tendering shares of Stock having a Fair Market Value at the time of exercise equal to the total Grant Price (in the exercise of a Nonstatutory Option, an Optionee may surrender one or more shares of Stock in the exercise of an Option with instructions to resurrender any shares acquired upon exercise in one or more successive, simultaneous exercises until Options covering the number of shares, which he specifies, have been exercised);
- (iii) with the proceeds of a loan on such terms and conditions as may be authorized by the Committee (however, the rate of interest on any such loan shall not be less than the applicable federal rate under Section 1274(d) of the Code on the date an Option is exercised, compounded semiannually); or
- (iv) by any combination of (i), (ii) and (iii).

7. Stock Appreciation Rights and Tax Offset Bonuses

The Committee may grant Stock Appreciation Rights and/or grant Options which pay Tax Offset Bonuses on such bases as the Committee shall determine, including but not limited to Stock Appreciation Rights which become exercisable or Tax Offset Bonuses which become payable only upon an Optionee being subject to the restrictions of Section 16 of the Securities Exchange Act of 1934 at the time of exercise. A Stock Appreciation Right or Tax Offset Bonus may be granted only with respect to an Option and may be granted concurrently with or after the grant of the Option. If Options granted on a particular date include Stock Appreciation Rights for only Optionees who are subject to the requirements of Section 16 of the Securities Exchange Act of 1934, an Optionee receiving an Option on that date and who thereafter becomes subject to those restrictions shall thereupon be deemed to have received Stock Appreciation Rights with respect to any unexercised Options

granted on the particular date in the same weighted average proportion as the Stock Appreciation Rights granted on the same grant date to the Optionees who were subject to the requirements of Section 16 of the Securities Exchange Act of 1934; provided, however, if 50% or more of the Board of Directors are employees of the Company and may receive Options under this plan, then the provisions of this sentence will apply only if, in each instance, approved by the Committee. The Committee may cancel or place a limit on the term of, or the amount payable for, any Stock Appreciation Right or Tax Offset Bonus at any time and may disapprove the election by the Optionee to exercise a Stock Appreciation Right rather than the related Option. The Committee shall determine all other terms and provisions of any Stock Appreciation Right or Tax Offset Bonus. Each Stock Appreciation Right or Tax Offset Bonus granted by the Committee shall expire no later than the expiration of the Option to which it relates. In addition, any Stock Appreciation Right granted with respect to an Incentive Stock Option may be exercised only if:

- (i) such Incentive Stock Option is exercisable; and
- (ii) the Grant Price of the Incentive Stock Option is less than the Fair Market Value of the Stock on the Date of Exercise.

8. Written Notice, Issuance of Stock Certificates, Payment of Stock Appreciation Rights or Stockholder Privileges

8.1 Written Notice. An Optionee electing to exercise an Option and any applicable Stock Appreciation Right shall give written notice to the Company, in the form and manner prescribed by the Committee, indicating the number of Options to be exercised. Full payment for the Options exercised shall be received by the Company prior to issuance of any stock certificates.

8.2 Issuance of Stock Certificates. As soon as reasonably practicable after the receipt of written notice and payment, the Company shall issue and deliver to the Optionee or any other person entitled to exercise an Option pursuant to this Plan a certificate or certificates for the requisite number of shares of Stock.

8.3 Payment of Stock Appreciation Rights and Tax Offset Bonuses. As soon as practicable after receipt of written notice, the Company shall pay to the Optionee, in cash, the amount payable under the Stock Appreciation Rights and the amount of any Tax Offset Bonuses.

8.4 Privileges of a Stockholder. An Optionee or any other person entitled to exercise an Option under this Plan shall not have stockholder privileges with respect to any Stock covered by the Option until the Date of Exercise.

8.5 Partial Exercise. An Option may be exercised for less than the total number of shares granted by the Option. An exercise of a portion of the shares granted under the Option shall not affect the right to exercise the Option from time to time for any unexercised shares subject to the Option.

9. Rights of Employees

9.1 Employment. Nothing in this Plan shall interfere with or limit in any way the right of the Company to terminate any Employee's employment at any time, nor confer upon any Employee any right to continue in the employ of the Company.

9.2 Nontransferability. All Options and Stock Appreciation Rights granted under this Plan shall be nontransferable by the Optionee, other than by will or the laws of descent and distribution, and shall be exercisable during the Optionee's lifetime only by the Optionee or the Optionee's guardian or legal representative.

10. Optionee Transfer or Leave of Absence

For Plan purposes:

(a) A transfer of an Optionee from the Company to a subsidiary or vice versa, or from one subsidiary to another; or

(b) A leave of absence duly authorized by the Company, shall not be deemed a termination of employment. However, an Optionee may not exercise an Option or any applicable Stock

Appreciation Right during any leave of absence, unless authorized by the Committee.

11. Administration

11.1 Administration. The Committee shall be responsible for the administration of the Plan. The Committee, by majority action thereof, is authorized to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan, to determine the form and content of Options to be issued (which need not be identical) under the Plan, to provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company and to make all other determinations necessary or advisable for the administration of the Plan, but only to the extent not contrary to the express provisions of the Plan. The Committee shall determine, within the limits of the express provisions of the Plan, the Employees to whom and the time or times at which Options and Stock Appreciation Rights shall be granted, the number of shares to be subject to each Option and Stock Appreciation Right and the duration of each Option. In making such determinations, the Committee may take into account the nature of the services rendered by such Employees or classes of Employees, their present and potential contributions to the Company's success and such other factors as the Committee, in its discretion, shall deem relevant. The determination of the Committee, its interpretation or other action made or taken pursuant to the provisions of the Plan shall be final and shall be binding and conclusive for all purposes and upon all persons.

11.2 Incentive Stock Options. Notwithstanding any contrary provision in this Plan, the Committee shall not take any action or impose any terms or conditions with respect to an Option intended by the Committee to be an Incentive Stock Option which would cause such Option to not qualify as such under the Code and applicable regulations and rulings in effect from time to time.

12. Amendment, Modification and Termination of the Plan

The Board may at any time terminate, and at any time and from time to time and in any respect, amend or modify the Plan, provided, however, that no such action of the Board, without approval of the stockholders, may:

- (a) Increase the total amount of Stock which may be purchased through Options granted under the Plan, except as provided in subsection 4.3 of the Plan.
- (b) Change the requirements for determining which Employees are eligible to receive Options or Stock Appreciation Rights.
- (c) Change the provisions of the Plan regarding the Grant Price except as permitted by subsection 4.3.
- (d) Permit any person, while a member of the Committee, to be eligible to receive or hold an Option under the Plan.
- (e) Change the manner of computing the amount to be paid through a Stock Appreciation Right.
- (f) Materially increase the cost of the Plan.
- (g) Extend the period during which Options and Stock Appreciation Rights may be granted.

No amendment, modification or termination of the Plan shall in any manner adversely affect the rights of an Optionee under the Plan without the consent of the Optionee.

13. Acceleration of Stock Options

If, while unexercised Options remain outstanding hereunder:

- (a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or
- (b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or

threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale;

then from and after the date on which any such event described in paragraphs (a) through (d) above occurs (which shall constitute a "change in control" of the Company), all Options shall be exercisable in full, whether or not then exercisable under the terms of their grant.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like, (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company, or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

14. Withholding Taxes

Whenever shares of Stock are issued on the exercise of an Option under this Plan, the Company shall (a) require the recipient of the Stock to remit to the Company an amount sufficient to satisfy all withholding taxes, (b) deduct from a cash payment pursuant to any Stock Appreciation Right or Tax Offset Bonus an amount sufficient to satisfy any withholding tax requirements, or (c) withhold from, or require surrender by, the recipient, as appropriate, shares of Stock otherwise issuable or issued upon exercise of the Option the number of shares sufficient to satisfy, to the extent permitted under applicable law, federal and state withholding tax requirements resulting from the exercise, provided, however, that the Company shall not withhold or accept surrender of Stock under this paragraph unless the recipient of the Stock has made an irrevocable election to have Stock withheld or surrendered for this purpose at least six months after the date of grant of the Option and either (i) six months, or (ii) within a Window Period, prior to the date the amount of withholding tax is determined. The Committee may, at any time subsequent to an election under this paragraph, disapprove the election and require satisfaction of withholding taxes by other means permitted under the Plan. Stock withheld or surrendered under this paragraph shall be valued at its Fair Market Value on the date the amount of withholding tax is determined.

15. Shareholder Approval and Registration Statement

Initially, the Plan is approved by the Board and will be submitted to the Company's shareholders for approval at their next annual meeting following the effective date of the Plan. Options may be granted under the Plan prior to shareholder approval and prior to filing with the Securities and Exchange Commission and having an effective registration statement covering the Stock to be issued upon the exercise of Options. Any Options granted under this Plan prior to shareholder approval and having an effective registration statement shall not be exercisable until and are expressly conditional upon shareholder approval of the Plan and having an effective registration statement covering the Stock.

16. Requirements of Law

16.1 Requirements of Law. The granting of Options and the issuance of shares of Stock upon the exercise of an Option shall be subject to all applicable laws, rules and regulations, and shares shall not be issued nor cash payments made except upon approval of proper government agencies or stock exchanges, as may be required.

16.2 Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the state of Idaho.

17. Effective Date of Plan

The Plan shall become effective as of July 24, 1984, subject to ratification by shareholders.

BOISE CASCADE CORPORATION
NONSTATUTORY STOCK OPTION AGREEMENT

This Nonstatutory Stock Option (the "Option") is granted _____, 19____, by BOISE CASCADE CORPORATION (the "Company") to _____ ("Optionee") pursuant to the 1984 Key Executive Stock Option Plan (the "Plan"), a copy of which is attached as Exhibit A, subject to the following terms and conditions.

1. This Agreement is subject to all the terms and conditions of the Plan, and all capitalized terms not otherwise defined in this Agreement shall have the meaning given them in the Plan.

2. The Company hereby grants the Optionee a nonstatutory stock option to purchase up to _____ shares of Stock at a price of \$_____ per share.

3. The Option shall expire on the first to occur of (a) ten years and one day from the date of this Agreement, (b) three years after Optionee's retirement, death, or total and permanent disability, or (c) three years following termination of Optionee's employment with the Company provided (i) the termination is the direct result of the sale or permanent closure of any facility or operating unit of the Company, and (ii) Optionee has not, as of the date of the exercise of the Option, commenced employment with any competitor of the Company; or (d) three months after termination of Optionee's employment with the Company for any other reason, except that the Option shall be canceled in the event of termination for disciplinary reasons.

4. Except as provided in Section 13 of the Plan, this Option shall not be exercisable until after the first anniversary of the date of this Agreement, and thereafter it shall be exercisable in full.

5. This Option may be exercised from time to time by delivery of written notice to the Company specifying the number of shares of Stock to be purchased. Payment of the Grant Price shall be made as provided in Section 6.4 of the Plan.

BOISE CASCADE CORPORATION

By _____
Alice E. Hennessey, Senior Vice
President Human Resources and
Corporate Relations

Accepted:

By _____
Optionee

BOISE CASCADE CORPORATION
NONSTATUTORY STOCK OPTION AGREEMENT

This Nonstatutory Stock Option (the "Option") is granted July 28, 1994, by BOISE CASCADE CORPORATION (the "Company") to George J. Harad ("Optionee") pursuant to the 1984 Key Executive Stock Option Plan (the "Plan"), a copy of which is attached as Exhibit A, subject to the following terms and conditions.

1. This Agreement is subject to all the terms and conditions of the Plan, and all capitalized terms not otherwise defined in this Agreement shall have the meaning given them in the Plan.
2. The Company hereby grants the Optionee a nonstatutory stock option to purchase up to 125,000 shares of Stock at a price of \$24.875 per share.
3. The Option shall expire on the first to occur of (a) five years and one day from the date of this Agreement, (b) three years after Optionee's death or total and permanent disability, or (c) three months after termination of Optionee's employment with the Company for any other reason, except that the Option shall be canceled in the event of termination for disciplinary reasons.
4. Except as provided in Section 13 of the Plan, this Option shall not be exercisable until anytime after (a) the first anniversary of the date of this Agreement and after (b) the Fair Market Value of Boise Cascade Stock averages or exceeds the following specified prices for 20 consecutive trading days: at \$36, 50% of this option becomes exercisable; at \$40, an additional 25% of this option becomes exercisable; and at \$45, the remaining 25% becomes exercisable.
5. This Option may be exercised from time to time by delivery of written notice to the Company specifying the number of shares of Stock to be purchased. Payment of the Grant Price shall be made as provided in Section 6.4 of the Plan.

BOISE CASCADE CORPORATION

By _____
Alice E. Hennessey, Senior Vice
President Human Resources and
Corporate Relations

Accepted:

By _____
Optionee

BOISE CASCADE CORPORATION
SPLIT-DOLLAR LIFE INSURANCE PLAN
(As Amended Through December 7, 1995)

BOISE CASCADE CORPORATION
SPLIT-DOLLAR LIFE INSURANCE PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation Split-Dollar Life Insurance Plan is to provide those executive officers who participate in the Plan with an insured death benefit during employment and after retirement. Executive officers who become a Participant may purchase an ordinary life insurance policy from a designated insurance carrier. Payment of policy premiums will be shared by the Company, as described herein.

Prior to December 1, 1987, the Company designated all executive officers eligible to participate in the Plan. Beginning December 1, 1987, the Company intends to continue the Plan in effect as hereafter restated. Eligibility for participation will not be made available to newly elected executive officers.

2. Definitions.

2.1 Annual Premium.

(a) The amount of consideration determined by the Insurance Carrier for the cost of coverages provided by the Plan. For Plan purposes, the Annual Premium shall be separated into three components: (i) The Basic Annual Premium or the Net Annual Premium, as applicable for the relevant year. The Basic Annual Premium shall be the amount of the Annual Premium for life insurance coverage determined by the Insurance Carrier's published rate schedule. The Net Annual Premium shall be the amount of the Basic Annual Premium described above less the then current Insurance Policy year's dividend, if paid in cash or if allocated to reduce the Insurance Policy's Annual Premium. The Basic Annual Premium or the Net Annual Premium, if any, shall be payable as determined in accordance with the Plan and with the Premium Payment Schedule, attached hereto (or the Trustee's Payment Schedule, if applicable); (ii) Waiver of Premium shall be the amount of premium for the waiver of premium on disability benefit, if available, determined in accordance with the Insurance Carrier's published rate schedule; and (iii) any Extra Premium for an insurance risk, as determined by the Insurance Carrier.

(b) To the extent that the then current Insurance Policy year's dividend exceeds the Basic Annual Premium, such amount, if paid in cash in accordance with the Premium Payment Schedule or Trustee's Payment Schedule attached hereto, shall be payable to the Company to be applied in accordance with Paragraph 2.4(b).

2.2 Base Salary. The annual Base Salary paid by the Company to a Participant for services rendered at the time the Participant is eligible to purchase an Insurance Policy.

2.3 Change in Control. A "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a

consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title, and the like; (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.4 Corporate Capital Interest.

(a) During the first seven policy years of an Insurance Policy, Corporate Capital Interest shall be the Insurance Policy's Basic Annual Premiums less (i) the amount of the value of the economic benefit to the Participant set forth in Paragraph 6.1(a) and (ii) policy loan(s) made during the policy

year, if any; plus the prior policy year's Corporate Capital Interest, if any.

(b) For the eighth and subsequent policy years, Corporate Capital Interest shall be the Insurance Policy's Basic Annual Premium or its Net Annual Premium, if any, whichever is applicable for the relevant year in accordance with the Premium Payment Schedule or Trustee's Payment Schedule (whichever governs), less (i) the amount of any dividend in excess of the Basic Annual Premium paid in cash to the Company in accordance with the Premium Payment Schedule or Trustee's Payment Schedule (whichever governs) attached hereto and (ii) policy loans outstanding, if any; plus the sum of (i) the Scheduled Amount for the relevant year, if any; and (ii) the prior year's Corporate Capital Interest, if any.

2.5 Company. Boise Cascade Corporation.

2.6 Deferred Compensation and Benefits Trust. An irrevocable trust or trusts ("Trust") established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the Trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust contains the following additional provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee or trustees subject to the requirement that it be again funded as stated in the preceding paragraph upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay the Company's obligations under this Plan, except to the extent such obligations are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those amounts.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the Trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.7 Effective Date. February 26, 1980.

2.8 Employee. An individual who receives a Base Salary for personal services rendered to the Company.

2.9 Insurance Carrier. The life insurance companies selected to issue policies under or pursuant to the Plan.

2.10 Insurance Policy. Any individually purchased whole-life insurance policy issued by the Insurance Carrier pursuant to the Plan. Unless required otherwise by the Plan, Insurance Policy terms used herein shall have the same meaning as in the Insurance Policy. In amplification, but not in limitation, of the foregoing, such Insurance Policy terms as policy year, dividend, and policy loan shall have the same meaning as contained in the Insurance Policy.

2.11 IRC. Internal Revenue Code of 1986, as amended.

2.12 Participant. An Employee of the Company who is designated eligible to participate in the Plan and who has met all the applicable eligibility requirements under the Plan.

2.13 Plan. This Boise Cascade Corporation Split-Dollar Life Insurance Plan.

2.14 Plan Administrator. The Company's Manager of Executive Compensation, P.O. Box 50, Boise, Idaho 83728, unless a different person is subsequently designated as Plan Administrator in a resolution adopted by the Board of Directors of the Company and such person accepts the designation.

2.15 Potential Change in Control. A "Potential Change in Control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of

the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.16 Retirement. The termination of employment of a Participant, for reasons other than death or disability, who has attained age 55 and ten years of service with the Company as defined by the Boise Cascade Corporation Pension Plan for Salaried Employees.

2.17 Assignment. An agreement whereby the Participant, or his designee, as owner of the Insurance Policy, sets over certain Insurance Policy rights to the Company as collateral security for the Company's Corporate Capital Interest, and pursuant to the Plan.

2.18 Premium Payment Schedule. The schedule of Insurance Policy premiums payable by the Company, as specified on the form attached hereto.

2.19 Scheduled Amount. An additional dollar amount recoverable by the Company at the Insurance Policy's paid-up date, added annually over the period to such date, to be added to the Corporate Capital Interest pursuant to Paragraph 2.4.

2.20 Trustee's Payment Schedule. The schedule of Insurance Policy premiums payable by the Trustee(s) of the Deferred Compensation and Benefits Trust during the period of a Potential Change in Control and after a Change in Control, as specified on the form attached hereto.

3. Administration and Interpretation of the Plan.

3.1 Plan Administrator. Except as otherwise provided in the Plan, the Committee shall have control over the administration and interpretation of the Plan, with all powers necessary to enable him to carry out his duties in that respect. The Committee may adopt such rules and regulations relating to the Plan as the Administrator may deem necessary or advisable for the administration of the Plan. The Committee may delegate administrative responsibilities to advisors or other persons and may rely upon the information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

3.2 Insurance Carrier. The Insurance Carrier shall be responsible for all matters relating to any Insurance Policy. Not in limitation, but in amplification of the foregoing, the Insurance Carrier shall decide whether it will issue an Insurance Policy on the life of a Participant who has otherwise met all of the Plan's eligibility requirements.

4. Eligibility to Participate. In order to become a Participant in the Plan, an Employee must meet all of the following requirements:

(a) Be an executive officer prior to December 1, 1987;

(b) Make application in the manner set by the Plan Administrator;

(c) Meet the insurability requirements of the Insurance Carrier; and

(d) Sign all documents, including the Assignment, presented by the Plan Administrator necessary or appropriate to carry out the intent of the Plan.

5. Benefits.

5.1 Purchase of Insurance. Each Employee designated eligible to participate in the Plan (or such third party as he may designate and who is acceptable to the Company and the Insurance Carrier) may apply for and purchase an Insurance Policy funded in the manner set forth in Paragraph 6. The face amount of the Insurance Policy for each Participant shall be based upon the Participant's Base Salary and chronological age (at the time specified in Paragraph 5.2), in accordance with the following schedule, less \$50,000.

Through Age 45	Six Times Base Salary
Age 46 - 50	Five Times Base Salary
Age 51 - 55	Four Times Base Salary
Age 56 to Retirement	Three Times Base Salary

The face amount of the Insurance Policy shall be rounded up to the multiple of \$10,000, where necessary.

5.2 Timing of Purchase of Insurance. The right of a Participant (or his designee) to purchase an Insurance Policy under the Plan is granted only upon the initial adoption of the Plan, initial eligibility of the Participant under the Plan, or when a Participant is moved to a job in a higher salary range which, in applying the schedule set forth in Paragraph 5.1 at the Participant's then current age and Base Salary, would result in a minimum face-amount benefit increase of \$50,000; provided, however, that no Insurance Policy may be purchased on or after December 1, 1987; and provided further, that no increase shall take place after a Participant reaches age 60. Since participation under the Plan involves the purchase of an Insurance Policy which is subject to the Participant's insurability, the Company does not guarantee that each Participant will be able to acquire an Insurance Policy pursuant to this Plan.

5.3 Amount of Death Benefit. The death benefit shall be paid from the Insurance Policy. The amount of the death benefit payable to the Participant's beneficiary shall be subject to the Assignment. In addition, the Participant shall receive a \$50,000 death benefit pursuant to the Boise Cascade Group Life Insurance Plan.

5.4 Beneficiary Designation. The death benefit is payable to the beneficiary or beneficiaries designated by the owner of the Insurance Policy. If no such beneficiary is designated, the beneficiary shall be the person or persons entitled to the death benefit under the terms of the Insurance Policy or applicable state law, whichever governs.

5.5 Payment of Death Benefit. The death benefits shall be paid upon the submission to the Insurance Carrier of the appropriate proof of death and a claim for benefits.

6. Contributions and Funding.

6.1 The First Seven Policy Years. During the first seven policy years, the responsibility for the payment of the premiums shall be allocated as follows:

(a) Responsibility of Participant.

(1) The "value of the economic benefit" to the Participant as determined pursuant to Internal Revenue Service rules in accordance with a table approved by the Internal Revenue Service. During the first seven policy years, this amount shall be paid by the Company on behalf of the Participant and treated as compensation to the Participant.

(2) Any Extra Premium which is in excess of 40% of the Basic Annual Premium.

(b) Responsibility of Company.

(1) The difference between the Basic Annual Premium and that portion for which the Participant is responsible pursuant to Paragraph 6.1(a)(1).

(2) (i) Any Extra Premium in an amount up to 40% of the Basic Annual Premium and (ii) any premium for Waiver of Premium.

The Company shall, at its option, have the authority to borrow against the Insurance Policy up to an amount not to exceed the Corporate Capital Interest. However, the Company shall pay to the Insurance Carrier no fewer than four Annual Premiums during the first seven policy years, and in no event shall it borrow an amount greater than the sum of three years' payments described in Paragraph 6.1(b)(1). All interest payments as a result of such borrowing shall be the responsibility of the Company.

6.2 Subsequent Policy Years. The Company, at the beginning of the eighth policy year, shall repay the Insurance Policy loan previously made pursuant to Paragraph 6.1(b)(2). The Company shall participate in the funding for the payment of the Annual Premiums on the Insurance Policy until the policy anniversary date on which the Insurance Policy becomes a paid-up contract. During such period, the responsibility for the payment of premiums shall be allocated as follows:

(a) Responsibility of the Participant.

(1) The tax on the "value of the economic benefit" as determined pursuant to Internal Revenue Service rules in a manner approved by the Internal Revenue Service. The dollar amount of the "value of the economic benefit" shall be treated as taxable compensation to the Participant.

(2) Any Extra Premium which is in excess of 40% of the Basic Annual Premium.

(b) Responsibility of the Company.

(1) (a) The Insurance Policy's Basic Annual Premium, or its Net Annual Premium, if any, as applicable for the relevant year; (b) any Extra Premium in an amount up to 40% of the Basic Annual Premium; (c) any premium for Waiver of Premium.

(2) Except in the event of a Change in Control, the Company shall, at its option, have the authority to borrow against the Insurance Policy up to an amount not to exceed the Corporate Capital Interest, as provided for in the Assignment. All interest payments as a result of such borrowing shall be the responsibility of the Company.

(3) Immediately upon a Potential Change in Control or upon a Change in Control, the Company shall repay Insurance Policy loans, if any, and shall not make any policy loans, as otherwise provided for in Paragraph 6.2(b)(2), within a one-year period after a Potential Change in Control, or at any time after a Change in Control, except upon the date specified in Paragraph 6.3.

6.3 Termination of Company Funding. Notwithstanding any other provisions in this Plan, and except in the event of or after a Change in Control, the Company shall terminate its participation in the funding of the Insurance Policy on the first of the following events:

- (a) The date the Insurance Policy becomes a paid-up contract;
- (b) The death of a Participant; or
- (c) The termination of employment of a Participant other than by death or retirement; however, at the Company's sole discretion, it may continue its participation in the funding until the date the Insurance Policy becomes a paid-up contract.

In the event of a termination described in (a) above, the Company will recover its Corporate Capital Interest by Insurance Policy loan and release its interest in the Insurance Policy.

In the event of a termination described in (b) above, the Company shall recover its Corporate Capital Interest out of the death benefit of the Insurance Policy. Thereafter, the Participant's beneficiary shall succeed to full control of the balance of the proceeds.

In the event of a termination described in (c) above, the Participant may purchase any portion of the Company's Corporate Capital Interest in the Insurance Policy pursuant to terms as established by the Plan Administrator. Any amount purchased shall result in the Company's recovery of its Corporate Capital Interest equal to the amount purchased. Any portions of the Insurance Policy not purchased by the Participant shall be treated in a manner deemed appropriate by the Plan Administrator. The provisions of Paragraph (c) shall be subject to any applicable severance agreement between the Company and the Participant.

6.4 Company Release and Reassignment. Upon any termination of company funding, the Company will release Insurance Policy rights granted to it by the Assignment. Thereafter, the Company shall have no involvement whatsoever, direct or indirect, in the Insurance Policy. From such date, the Participant shall be solely responsible for the payment of any premium and Insurance Policy loan interest due.

7. Disqualification and Reduction, Loss, Forfeiture, or Denial of Benefits. The benefits to be provided under this Plan will not be available to an Employee upon any of the following events:

- (a) Except in the event of a Change in Control, the Company may, at any time, amend or terminate the Plan, provided that the Company may not reduce or modify the level of benefits provided to the Participant prior to the amendment or termination without prior consent of the Participant;
- (b) In any event the Plan is terminated, whether as to all Participants or as to an individual Participant, a Participant shall be able to preserve and continue the Insurance Policy on his or her life by paying the Company its Corporate Capital Interest. Thereafter, the Participant will be responsible for all future premiums and Insurance Policy loan interest due;
- (c) After any termination of Company Funding, policy benefits may be reduced or terminated with respect to a Participant if not properly funded by the Participant; or
- (d) The amount of a Participant's death benefits may vary each year. Not in limitation, but in amplification of the foregoing, the amount of policy dividends of the Insurance Policies and the amount of the Corporate Capital Interest may vary the death benefits.

8. Deferred Compensation and Benefits Trust. The Company is establishing a Deferred Compensation and Benefits Trust and shall comply with the terms of the Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Plan (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time, the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to the Plan.

8.1 Trustee's Rights and Obligation. In the event of a Change in Control or a Potential Change in Control, the trustee(s) for the Deferred Compensation and Benefits Trust shall at all times thereafter be obligated for amounts payable in accordance with the Trustee's Payment Schedule. The Company shall notify the Insurance Carrier of a Change in Control or of a Potential Change in Control.

8.2 Plan Funding. In the event of a Change in Control, the calculation of the Funding Amount shall be made without regard to the provisions of Paragraph 6.3(c) and the Company shall be required to participate in the funding of each Insurance Policy until the date the Insurance Policy becomes a paid-up contract.

8.3 Termination of Funding. In the event of and after a Change in Control, the Trustee(s) shall be required to continue the funding of the Insurance Policy until the later of (a) the applicable date specified in Paragraph 6.3(a) or 6.3(b), whichever is earlier, or (b) the date specified in any severance agreement between the Company and the Participant.

8.4 Amendment and Termination. In the event of and after a Change in Control, the Plan may not be amended or terminated and a Participant shall have the right to rely on the continuation of the Funding of an Insurance Policy as provided in this Paragraph 8.

9. Claim Procedure. All death benefits provided under the Plan are to be paid from the Insurance Policies. The Company has adopted the claim procedure established by the Insurance Carrier as a claim procedure for the Plan. The beneficiary of the policy proceeds must file a claim for benefits with the Insurance Carrier in whatever form the Insurance Carrier may reasonably require. If the Insurance Carrier denies the claim, the beneficiary who wants to have that denial reviewed will have to follow the Insurance Carrier's claims-review procedure. The Company shall have no liability in the event an Insurance Carrier denies a beneficiary's claim for benefits.

10. Miscellaneous.

10.1 Employment Not Guaranteed by the Plan. Neither this Plan nor any action taken hereunder shall be construed as giving a Participant a right to be retained as an executive officer or as an Employee of the Company for any period.

10.2 Taxes. The Company shall deduct from each Participant's compensation all applicable Federal or State taxes that may be required by law to be withheld resulting from the Company's funding of the Insurance Policy under the Plan.

10.3 Governing Law. The Plan shall be constructed according to the laws of the State of Idaho.

10.4 Form of Communication. Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Plan Administrator shall be made in writing and in such form as the Plan Administrator shall prescribe. Such communication shall be effective upon mailing if sent by first-class mail, postage prepaid, and addressed to the Company's office at 1111 West Jefferson Street (83702), P.O. Box 50, Boise, Idaho 83728-0001.

10.5 Amendment and Termination. Except after a Change in Control, the Board of Directors may, at any time, amend or terminate the Plan. At any date of termination not preceded by a Change in Control, a Participant shall be entitled to preserve and continue the Insurance Policy in accordance with Paragraph 6.3(c).

10.6 Agent for Service of Process. The Plan Administrator is designated as the agent to receive service of legal process on behalf of the Plan.

10.7 Constructional Rules. When appropriate, the singular as used in this Plan shall include the plural, and vice versa, and the masculine shall include the feminine, and vice versa.

11. Statement of ERISA Rights. Each Participant in the Plan is entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Participants shall be entitled to:

(a) Examine, without charge, at the Plan Administrator's office all Plan documents.

(b) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

(c) File suit in a federal court if any materials requested are not received within 30 days of the Participant's request, unless the materials were not sent because of matters beyond the control of the Plan Administrator. The court may require the Plan Administrator to pay up to \$100 for each day's delay until the materials are received.

In addition to creating rights for Participant's, ERISA

imposed obligations upon the persons who are responsible for the operation of the Plan. As "fiduciaries," these persons must act solely in the interest of the Participants and they must exercise prudence in the performance of their Plan duties. Fiduciaries who violate ERISA may be removed and required to make good any losses they have caused the Plan. The Company may not fire, discriminate against, or prevent a Participant from obtaining a welfare benefit or exercising his or her rights under ERISA. If a Participant is improperly denied a welfare benefit in full or in part, he or she has a right to file suit in a federal or state court. If Plan fiduciaries are misusing the Plan's money, a Participant has a right to file suit in a federal court or request assistance from the U.S. Department of Labor. If a Participant is successful in the lawsuit, the court may, if it so decides, require the other party to pay his or her legal costs, including attorney's fees.

If a Participant has any questions about the foregoing or his or her rights under ERISA, the Participant should contact the Plan Administrator or the nearest area office of the U.S. Labor-Management Service Administration, Department of Labor.

(Date)

[]

Dear []:

Boise Cascade Corporation (the "Company") considers it essential to the best interests of its stockholders to foster the continuous employment of key management personnel in the event there is, or is threatened, a change in control of the Company. In this connection, the Board of Directors of the Company (the "Board") recognizes that the possibility of a change in control may exist and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders.

The Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Company, although no such change is now contemplated.

In order to induce you to remain in the employ of the Company in the face of a change in control of the Company and in consideration of your agreement set forth in Section 2.B hereof, the Company agrees that you shall receive the severance benefits set forth in this letter agreement in the event your employment with the Company is terminated subsequent to a "change in control of the Company" (as defined in Section 2 hereof) under the circumstances described below.

1. Term of Agreement. This Agreement shall commence on the date hereof and shall continue in effect through []; provided, however, that commencing on [], and each January 1 thereafter, the term of this Agreement shall automatically be extended so as to terminate on the third anniversary of such date, unless, not later than September 30 of the preceding year, the Company shall have given notice not to extend this Agreement; provided, however, if a change in control of the Company (as defined in Section 2 hereof) shall have occurred during the term of this Agreement, this Agreement shall continue in effect for a period of not less than twenty-four months beyond the month in which such change in control of the Company occurred.

2. Change in Control.

A. No benefits shall be payable hereunder unless there shall have been a change in control of the Company, as set forth below, and your employment by the Company shall thereafter have been terminated in accordance with Section 3 below. A

"change in control of the Company" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(1) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(2) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved (the "Continuing Directors"); or

(3) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to

applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(4) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company for purposes of your benefits under this Agreement if, in connection with the Transaction, you participate as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, you shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (a) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to you of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like, (b) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company, or (c) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

B. For purposes of this Agreement, a "potential change in control of the Company" shall be deemed to have occurred if (1) the Company enters into an agreement, the consummation of which would result in the occurrence of a change in control of the Company, (2) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a change in control of the Company; (3) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (4) the Board adopts a resolution to the effect that a potential change in control of the Company for purposes of this Agreement has occurred. You agree that, subject to the terms and conditions of this Agreement, in the event of a potential change in control of the Company, you will at the option of the Company remain in the employ of the Company until the earlier of (a) the date which is six months from the occurrence of the first such potential change in control of the Company, or (b) the date of a change in control of the Company.

C. For purposes of this Agreement, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

D. For purposes of this Agreement, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) the Company or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

3. Termination Following Change in Control. If any of the events described in Section 2 hereof constituting a change in control of the Company shall have occurred and be continuing, you shall be entitled to the benefits provided in Section 4 hereof upon the subsequent termination of your employment during the term of this Agreement unless such termination is because of your death, by the Company for Cause or Disability, or by you other than for Good Reason.

A. Disability. If, as a result of your incapacity due to physical or mental illness, you shall have been absent from your duties with the Company on a full-time basis for six consecutive months, and within thirty days after written notice of termination is given you shall not have returned to the full-time performance of your duties, the Company may terminate your employment for "Disability."

B. Cause. Termination by the Company of your employment for "Cause" shall mean termination upon (1) the willful and continued failure by you to substantially perform your duties with the Company (other than any such failure resulting from your incapacity due to physical or mental illness or any such actual or anticipated failure resulting from your termination for Good Reason), after a demand for substantial performance is delivered to you by the Board which specifically identifies the manner in which the Board believes that you have not substantially performed your duties, or (2) the willful engaging by you in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise. For purposes of this Subsection, no act, or failure to act, on your part shall be considered "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company. Notwithstanding the foregoing, you shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to you a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before the Board), finding that in the good faith opinion of the Board you were guilty of conduct set forth above in clauses (1) or (2) of the first sentence of this Subsection and specifying the particulars thereof in detail.

C. Good Reason. You shall be entitled to terminate your employment for Good Reason. For purposes of this Agreement, "Good Reason" shall, without your express written consent, mean:

(1) The assignment to you of any duties inconsistent with your status as an Executive Officer of the Company or an adverse alteration in the nature or status of your responsibilities from those in effect immediately prior to a change in control of the Company;

(2) The disposition by the Company of the business of the Company for which your services are principally provided pursuant to a partial or complete liquidation of the Company, a sale of assets (including stock of a subsidiary) of the Company, or otherwise, unless such disposition has been approved by the Board, two thirds of the members of which are Continuing Directors;

(3) A reduction by the Company in your annual base salary as in effect on the date hereof or as the same may be increased from time to time, except for across-the-board salary reductions similarly affecting all executives of the Company and all executives of any Person in control of the Company;

(4) The Company's requiring you to be based anywhere other than in the metropolitan area in which you were based immediately prior to a change in control of the Company, except for required travel on the Company's business to an extent substantially consistent with your present business travel obligations;

(5) The failure by the Company to continue in effect any compensation plan in which you were participating immediately prior to the change in control of the Company, including but not limited to your participation, if any, in the Company's Key Executive Performance Plan for Executive Officers (the "KEPP"), the 1982, 1986, and 1995 Executive Officer Deferred Compensation Plans, the 1987 and 1995 Key Executive Deferred Compensation Plans (the "Deferred Compensation Plans"), the 1984 Key Executive Stock Option Plan (the "1984 Stock Option Plan"), or any substitute or additional plans adopted prior to the change in control of the Company, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan in connection with the change in control of the Company, or unless the plan has expired in accordance with its terms in effect immediately prior to the

change in control of the Company; or the failure by the Company to continue your participation therein on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed immediately prior to the change in control of the Company;

(6) The failure by the Company to continue to provide you with benefits substantially similar to those enjoyed by you under any of the Company's pension, life insurance, medical, health and accident, or disability plans, including, without limitation, the Company's Split-Dollar Life Insurance Plan ("Split-Dollar Plan"), and the Supplemental Early Retirement Plan for Executive Officers ("Early Retirement Plan"), the Pension Plan for Salaried Employees (the "Qualified Plan"), the Savings and Supplemental Retirement Plan (the "SSRP"), the Supplemental Retirement Programs (the "Excess Benefit Plans"), and any other nonqualified pension agreement between you and the Company, in which you may have been participating at the time of a change in control of the Company, the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits or deprive you of any material fringe benefit enjoyed by you at the time of the change in control of the Company, or the failure by the Company to provide you with the number of paid vacation days to which you are entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect at the time of the change in control of the Company;

(7) The failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 7 hereof; or

(8) Any purported termination of your employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Subsection D below (and, if applicable, Subsection B above). Furthermore, no such purported termination of your employment shall be effective for purposes of this Agreement.

Your right to terminate your employment pursuant to this Subsection shall not be affected by your incapacity due to physical or mental illness. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

D. Notice of Termination. Any purported termination by the Company or by you shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 8 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated.

E. Date of Termination, Etc. "Date of Termination" shall mean (1) if your employment is terminated for Disability, thirty days after Notice of Termination is given (provided that you shall not have returned to the performance of your duties on a full-time basis during such thirty-day period), and (2) if your employment is terminated pursuant to Subsection B or C above or for any other reason, the date specified in the Notice of Termination (which, in the case of a termination pursuant to Subsection B above shall not be less than thirty days, and in the case of a termination pursuant to Subsection C above shall not be more than sixty days, respectively, from the date such Notice of Termination is given); provided that if within thirty days after any Notice of Termination is given the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties or by a final judgment, order or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected); and provided further that the Date of Termination shall be extended by a notice of dispute only if such notice is given in good faith and the party giving such notice pursues the resolution of such dispute with reasonable diligence. Notwithstanding the pendency of any such dispute, the Company will continue to pay you your full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, base salary) and continue you as a participant in all compensation, benefit and insurance plans in which you were participating when the notice giving rise to the dispute was given, until the dispute is finally resolved in accordance with this Section. Amounts paid under this Section are in addition to all other amounts due under this Agreement and shall not be offset against or reduce any other amounts due under this Agreement.

4. Compensation Upon Termination or During Disability.

A. During any period that you fail to perform your

duties hereunder as a result of incapacity due to physical or mental illness, you shall continue to receive your full base salary at the rate then in effect and all compensation, including under the KEPP, paid during the period until your employment is terminated pursuant to Section 3.A hereof. Thereafter, your benefits shall be determined in accordance with the insurance programs then in effect of the Company or subsidiary corporation by which you are employed, and any qualified retirement plan and any executive supplemental retirement plan in effect immediately prior to the change in control of the Company.

B. If your employment shall be terminated for Cause or by you other than for Good Reason, the Company shall pay you only your full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given, plus all other amounts to which you are entitled under any compensation plan of the Company at the time such payments are due, and the Company shall have no further obligations to you under this Agreement.

C. If your employment shall be terminated by the Company other than for Cause or Disability, or by you for Good Reason, then you shall be entitled to the benefits provided below:

(1) The Company shall pay you, not later than the fifth day following the Date of Termination, your full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given, plus all other amounts to which you are entitled under any compensation plan of the Company at the time such payments are due;

(2) The Company shall pay to you, not later than the fifth day following the Date of Termination, a lump sum severance payment equal to (a) three times the sum of (i) your annual base salary, plus (ii) your target bonus payout under the Company's Key Executive Performance Plan for Executive Officers (the "KEPP") (or any substitute plan) for the year in which occurs the Date of Termination or change in control of the Company, whichever is greater, less (b) the dollar amount, if any, which you are paid upon termination of employment, without regard to the provisions of this Agreement, under the Company's Severance Pay Policy for Executive Officers as in effect immediately prior to the Date of Termination;

(3) The Company shall pay to you, not later than the fifth day following the Date of Termination, a lump sum amount equal to the greater of the value of your unused and accrued vacation entitlement in accordance with the Company's Vacation Policy as in effect immediately prior to the change in control of the Company or as in effect on Date of Termination;

(4) The Company shall pay to you, not later than the fifth day following the Date of Termination, a lump sum amount equal to the sum of (a) any unpaid bonus (excluding deferred awards, plus interest, credited to your account, which shall be payable under the KEPP in accordance with its terms) pursuant to the KEPP (or any substitute plan) allocable to you in respect of the Plan year preceding that in which the Date of Termination occurs, and (b) a KEPP award (or award under a substitute plan) for the year in which the Date of Termination occurs, equal to the greater of (i) 30% of your base salary for such year (determined without regard to any reduction in your base salary constituting Good Reason), prorated through the month in which the Date of Termination occurs, or (ii) the actual KEPP award (or award under such substitute plan) as determined by actual year-to-date earnings per share through the last day of the month prior to the month in which the Date of Termination occurs in accordance with the KEPP award criteria (or criteria under such substitute plan) in which you are participating as of the Date of Termination, prorated through the month in which the Date of Termination occurs;

(5) Anything to the contrary notwithstanding in any agreement or agreements pursuant to which, either prior to or after the date hereof, you were or will be granted options ("Options") under the Company's 1984 Stock Option Plan or any other stock option plan of the Company, effective at and as of the Date of Termination all such options held by you which then remain outstanding and unexercised shall be automatically canceled and in lieu thereof the Company shall pay to you, not later than the fifth day following the Date of Termination, a lump sum amount equal to the sum of:

(a) In the case of those canceled Options held by you which were incentive stock options ("Incentive Stock Options"), as defined under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), granted after the date of this Agreement, the product of (i) the difference (to the extent such difference is a positive number) obtained by subtracting the per share exercise price of each such Incentive Stock Option, from: if the Company Shares are then listed on a national securities exchange, the closing sales price per share on such exchange on the trading day immediately preceding the date of

payment thereof, or if Company Shares are not listed on a national securities exchange on such date, then the average of the closing bid and asked prices for Company Shares in the over-the-counter market for the last preceding date on which there was a sale of such Company Shares in such market, or if Company Shares are not then traded in the over-the-counter market, such value as the Company in its discretion may determine, but in no event greater than the fair market value of such shares for federal income tax purposes, and (ii) the number of Company Shares covered by each such Incentive Stock Option;

(b) In the case of all other canceled Options held by you, the sum of (i) the product of (x) the difference (to the extent that such difference is a positive number) obtained by subtracting the per share exercise price of each such Option, whether or not then fully exercisable, from the higher of (1) if the Company Shares are then listed on a national securities exchange, the closing sales price on the Date of Termination of Company Shares on such national securities exchange, or if Company Shares are not listed on a national securities exchange on such date, then the average of the closing bid and asked prices for Company Shares in the over-the-counter market for the last preceding date on which there was a sale of such Company Shares in such market, or if Company Shares are not then traded in the over-the-counter market, such value as the Company in its discretion may determine, or (2) the highest price per Company Share actually paid in connection with any change in control of the Company, and (y) the number of Company Shares covered by such Option, plus (ii) the amount of any tax bonus that would be payable upon the exercise of such Option at the price set forth above; and

(6) The Company shall also pay to you all legal fees and expenses incurred by you as a result of such termination (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement).

D. If your employment shall be terminated (1) by the Company or subsidiary corporation by which you are employed other than for Cause or Disability or (2) by you for Good Reason, then for a twelve-month period following such termination, the Company shall maintain, in full force and effect for your continued benefit, all life, disability, accident and health insurance plans or arrangements, and financial counseling services in which you may have been participating immediately prior to the change in control of the Company, provided your continued participation (or a particular type of coverage) is possible under the general terms and provisions of such plans and arrangements. In the event your participation (or a particular type of coverage) under any such plan or arrangement is barred, the Company shall arrange to provide you with benefits, at substantially the same cost to you, which are substantially similar to those which you are entitled to receive under such plans and arrangements. Notwithstanding the foregoing, the Company shall continue to pay such amounts as may be required to maintain any insurance you may have had in force pursuant to the Split-Dollar Plan until the later of your sixty-fifth birthday or ten years after the insurance policy is issued, after which the Company will release to you its interest in each such policy.

E. If your employment shall be terminated (1) by the Company or subsidiary corporation by which you are employed other than for Cause or Disability or (2) by you for Good Reason, then in addition to the aggregate retirement benefits to which you are entitled under the Company's Qualified Plan, the Company's Excess Benefit Plans, any other nonqualified pension agreement or arrangement, or any successor plans thereto, the Company shall pay you amounts equal to (a), (b), (c), or (d), whichever is applicable:

(a) If you have satisfied the service, but not the age, requirements of the Early Retirement Plan, as in effect immediately prior to the change in control of the Company, you shall receive a monthly benefit, commencing on your fifty-fifth birthday equal to the benefit to which you would have been entitled under the Early Retirement Plan, as in effect immediately prior to the change in control of the Company, had you satisfied the age and service requirements as of the Date of Termination; or

(b) If you have satisfied the age, but not the service, requirement of the Early Retirement Plan, as in effect immediately prior to the change in control of the Company, you shall receive a monthly benefit, commencing as of the Date of Termination equal to the benefit to which you would have been entitled under the Early Retirement Plan, as in effect immediately prior to the change in control of the Company, had you satisfied the age and service requirements as of the Date of Termination; or

(c) If you have satisfied neither the age nor the service requirements of the Early Retirement Plan, as in effect immediately prior to the change in control of the Company, you shall receive a monthly benefit, commencing on your fifty-fifth birthday equal to the benefit to which you would have been entitled under the Early Retirement Plan, as in effect immediately prior to the change in control of the Company, had you satisfied the age and service requirements as of the Date of Termination; or

(d) If you have satisfied both the age and the service requirements of the Early Retirement Plan, as in effect immediately before the change in control of the Company, you shall receive the benefits to which you are entitled under the Early Retirement Plan.

The benefits under this paragraph E shall be paid in the same manner as, and shall otherwise possess the same rights and privileges as were available with respect to, benefits under the terms of the Early Retirement Plan as in effect immediately prior to the change in control of the Company.

F. If your employment shall be terminated (1) by the Company or subsidiary corporation by which you are employed other than for Cause or Disability or (2) by you for Good Reason, then you shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 4 (except as otherwise provided in the immediately succeeding sentence) be reduced by any compensation earned by you as the result of employment by another employer or by retirement benefits after the Date of Termination, or otherwise. Benefits otherwise receivable by you pursuant to Section 4.D shall be reduced to the extent comparable benefits are actually received by you during the twelve-month period

following your termination, and any such benefits actually received by you shall be reported to the Company.

5. Protective Limitation. Notwithstanding any provision hereof to the contrary, in the event you (A) would receive payments under this Agreement or under any other plan, program, or policy sponsored by the Company; (B) which payments relate to a change in control of the Company and which are determined (whether by the Company, your legal counsel, or the IRS) to be subject to excise tax under Section 4999 of the Code; and (C) if this excise tax would cause the net after-tax parachute payments, within the meaning of Section 280G of the Code ("Parachute Payments") actually received by you to be less than the net amount you would have received, after application of federal and state income taxes, had the present value of your total Parachute Payments equaled \$1.00 less than three times your base amount, as defined under Section 280G of the Code, then your Parachute Payments attributable to payments under this Agreement shall be reduced (by the minimum possible amount), so that their aggregate present value equals \$1.00 less than three times your base amount. In the event payments under this Agreement are reduced, such reduction shall be made first from payments made pursuant to Section 4.C(5) and second from Section 4.C(2). For purposes of this paragraph, your tax rate will be the maximum marginal federal and state income tax rate on earned income, with the maximum federal rate to be computed with regard to Section 1(g) of the Code and applying any available deduction of state and local taxes for federal income tax purposes. If you and the Company are unable to agree as to the amount of the reduction described above, if any, you may select a law firm or accounting firm from among those firms regularly consulted by the Company prior to the change in control of the Company or other firms acceptable to the Company, and this law firm or accounting firm shall determine the amount of any reduction and the firm's determination shall be final and binding on you and the Company.

6. Deferred Compensation and Benefits Trust. The Company has established a Deferred Compensation and Benefits Trust, and shall comply with the terms of that Trust. Upon the occurrence of any potential change in control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Agreement (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time, the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Agreement. The determination of the amount required to be transferred by the Company to the Trust shall include any amounts that could in any circumstances be payable in the future under Section 4 hereof, calculated in accordance with the following rules: (A) Upon a potential change in control of the Company, the Company will calculate the amount required to be transferred to the Trust based on the assumption that your employment, if not previously terminated, will be terminated by the Company other than for Cause or Disability on the second anniversary of the potential change in control of the Company; (B) Upon any subsequent recalculation, your employment will be deemed to have been terminated by the Company other than for Cause or Disability on the later of the date of actual termination or the date of such recalculation; and (C) For purposes of calculating the amount payable under Section 4.C(5)(b) hereof, the amount determined under Section 4.C(5)(b)(i)(x) shall be deemed to be the higher of 200% of the closing sale price of Company Shares on the date of the potential change in control of the Company or the highest price at which Company Shares traded during the period between the potential change in control of the Company and the date as of which the calculation is being made.

For this purpose, the term Deferred Compensation and Benefits Trust shall mean an irrevocable trust or trusts established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust shall contain the following additional provisions:

(a) If a change in control of the Company does not occur within one year after the potential change in control of the Company, the Company may reclaim the assets transferred to the

trustee or trustees subject to the requirement that it be again funded upon the occurrence of another potential change in control of the Company.

(b) Upon a change in control of the Company, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Agreement, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a change in control of the Company, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

7. Successors; Binding Agreement.

A. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms as you would be entitled hereunder if you terminate your employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

B. This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your devisee, legatee or other designee or if there is no such designee, to your estate.

C. Any dispute between you and the Company regarding this Agreement may be resolved either by binding arbitration or by judicial proceedings at your sole election, and the Company agrees to be bound by your election in that regard.

8. Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the state of Idaho (regardless of the law which may be applicable under principles of conflicts of law). All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. If the obligations of the Company under Section 4 arise prior to the expiration of the term of this Agreement, such obligations shall survive the expiration of the term.

10. Validity. The invalidity or unenforceability of any

provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

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

12. No Guaranty of Employment. Neither this contract nor any action taken hereunder shall be construed as giving you a right to be retained as an employee or an executive officer of the Company.

13. Governing Law. This Agreement shall be governed by and construed in accordance with Delaware law.

14. Other Benefits. Any payments due to you as provided herein are in addition to, and not in lieu of, any amounts to which you may be entitled under any other employee benefit plan, program or policy of the Company.

If this letter correctly sets forth our agreement on the subject matter hereof, kindly sign and return to the Company the enclosed copy of this letter which will then constitute our agreement on this subject.

Sincerely,

BOISE CASCADE CORPORATION

By _____

Alice E. Hennessey
Senior Vice President
Corporate Relations and
Human Resources

Agreed to this [] day
of [],

[Name of Officer]

Enclosure

directors on the date hereof or whose appointment, election or nomination for the election was previously so approved (the "Continuing Directors"); or

(3) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(4) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company for purposes of your benefits under this Agreement if, in connection with the Transaction, you participate as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, you shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (a) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to you of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like, (b) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company, or (c) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

B. For purposes of this Agreement, a "potential change in control of the Company" shall be deemed to have occurred if (1) the Company enters into an agreement, the consummation of which would result in the occurrence of a change in control of the Company, (2) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a change in control of the Company; (3) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (4) the Board adopts a resolution to the effect that a potential change in control of the Company for purposes of this Agreement has occurred. You agree that, subject to the terms and conditions of this Agreement, in the event of a potential change in control of the Company, you will at the option of the Company remain in the employ of the Company until the earlier of (a) the date which is six months from the occurrence of the first such potential change in control of the Company, or (b) the date of a change in control of the Company.

C. For purposes of this Agreement, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange

Act").

D. For purposes of this Agreement, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) the Company or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

3. Termination Following Change in Control. If any of the events described in Section 2 hereof constituting a change in control of the Company shall have occurred and be continuing, you shall be entitled to the benefits provided in Section 4 hereof upon the subsequent termination of your employment with BCOP during the term of this Agreement unless such termination is because of your death, by BCOP for Cause or Disability, or by you other than for Good Reason.

A. Disability. If, as a result of your incapacity due to physical or mental illness, you shall have been absent from your duties with BCOP on a full-time basis for six consecutive months, and within thirty days after written notice of termination is given you shall not have returned to the full-time performance of your duties, BCOP may terminate your employment for "Disability."

B. Cause. Termination by BCOP of your employment for "Cause" shall mean termination upon (1) the willful and continued failure by you to substantially perform your duties with BCOP (other than any such failure resulting from your incapacity due to physical or mental illness or any such actual or anticipated failure resulting from your termination for Good Reason), after a demand for substantial performance is delivered to you by the BCOP board of directors which specifically identifies the manner in which the BCOP board of directors believes that you have not substantially performed your duties, or (2) the willful engaging by you in conduct which is demonstrably and materially injurious to BCOP, monetarily or otherwise. For purposes of this Subsection, no act, or failure to act, on your part shall be considered "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interest of BCOP. Notwithstanding the foregoing, you shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to you a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the BCOP board of directors at a meeting of the board called and held for the purpose (after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before the board), finding that in the good faith opinion of the BCOP board of directors you were guilty of conduct set forth above in clauses (1) or (2) of the first sentence of this Subsection and specifying the particulars thereof in detail.

C. Good Reason. You shall be entitled to terminate your employment for Good Reason. For purposes of this Agreement, "Good Reason" shall, without your express written consent, mean:

(1) The assignment to you of any duties inconsistent with your status as an Executive Officer of the Company and BCOP or an adverse alteration in the nature or status of your responsibilities from those in effect immediately prior to a change in control of the Company;

(2) The disposition by the Company of its ownership interest in the business of BCOP pursuant to a partial or complete liquidation of the Company, a sale of assets (including stock of a subsidiary) of the Company, or otherwise, unless such disposition has been approved by the Board, two thirds of the members of which are Continuing Directors;

(3) A reduction by BCOP in your annual base salary as in effect on the date hereof or as the same may be increased from time to time, except for across-the-board salary reductions similarly affecting all executives of the Company and BCOP and all executives of any Person in control of the Company;

(4) BCOP's requiring you to be based anywhere other than in the metropolitan area in which you were based immediately prior to a change in control of the Company, except for required travel on BCOP's business to an extent substantially consistent with your present business travel obligations;

(5) The failure by BCOP to continue in effect any compensation plan in which you were participating immediately prior to the change in control of the Company, including but not limited to your participation, if any, in the BCOP Key Executive Performance Plan for Executive Officers (the "KEPP"), the BCOP 1995 Executive Officer Deferred Compensation Plan (the "Deferred Compensation Plan"), the BCOP Key Executive Stock Option Plan (the "Stock Option Plan"), or any substitute or additional plans adopted prior to the change in control of the Company, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan in connection with the change in control of the Company, or unless the plan has expired in accordance with its terms in effect immediately prior to the change in control of the Company; or the failure by BCOP to continue your participation therein on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of your participation relative to other participants, as existed immediately prior to the change in control of the Company;

(6) The failure by BCOP to continue to provide you with benefits substantially similar to those enjoyed by you under any of BCOP's pension, life insurance, medical, health and accident, or disability plans, including, without limitation, BCOP's Split-Dollar Life Insurance Plan ("Split-Dollar Plan"), and BCOP's Supplemental Early Retirement Plan for Executive Officers ("Early Retirement Plan"), the Pension Plan for Salaried Employees (the "Qualified Plan"), the Savings and Supplemental Retirement Plan (the "SSRP"), the Supplemental Retirement Programs (the "Excess Benefit Plans"), and any other nonqualified pension agreement between you and BCOP, in which you may have been participating at the time of a change in control of the Company, the taking of any action by BCOP which would directly or indirectly materially reduce any of such benefits or deprive you of any material fringe benefit enjoyed by you at the time of the change in control of the Company, or the failure by BCOP to provide you with the number of paid vacation days to which you are entitled on the basis of years of service with BCOP in accordance with BCOP's normal vacation policy in effect at the time of the change in control of the Company;

(7) The failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 7 hereof; or

(8) Any purported termination of your employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Subsection D below (and, if applicable, Subsection B above). Furthermore, no such purported termination of your employment shall be effective for purposes of this Agreement.

Your right to terminate your employment pursuant to this Subsection shall not be affected by your incapacity due to physical or mental illness. Your continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

D. Notice of Termination. Any purported termination by BCOP or by you shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 8 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated.

E. Date of Termination, Etc. "Date of Termination" shall mean (1) if your employment is terminated for Disability, thirty days after Notice of Termination is given (provided that you shall not have returned to the performance of your duties on a full-time basis during such thirty-day period), and (2) if your employment is terminated pursuant to Subsection B or C above or for any other reason, the date specified in the Notice of Termination (which, in the case of a termination pursuant to Subsection B above shall not be less than thirty days, and in the case of a termination pursuant to Subsection C above shall not be more than sixty days, respectively, from the date such Notice of Termination is given); provided that if within thirty days after any Notice of Termination is given the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties or by a final judgment, order or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected); and provided further that the Date of Termination shall be extended by a notice of dispute only if

such notice is given in good faith and the party giving such notice pursues the resolution of such dispute with reasonable diligence.

4. Compensation Upon Termination.

A. If your employment shall be terminated by BCOP, following a Change in Control of the Company, other than for Cause or Disability, or by you for Good Reason, then you shall be entitled to the benefits provided below:

(1) Anything to the contrary notwithstanding in any agreement or agreements pursuant to which, either prior to or after the date hereof, you were or will be granted options ("Options") under the Company's 1984 Key Executive Stock Option Plan or any other stock option plan of the Company, effective at and as of the Date of Termination all such options held by you which then remain outstanding and unexercised shall be automatically canceled and in lieu thereof the Company shall pay to you, not later than the fifth day following the Date of Termination, a lump sum amount equal to the sum of:

(a) In the case of those canceled Options held by you which were incentive stock options ("Incentive Stock Options"), as defined under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), granted after the date of this Agreement, the product of (i) the difference (to the extent such difference is a positive number) obtained by subtracting the per share exercise price of each such Incentive Stock Option, from: if the Company Shares are then listed on a national securities exchange, the closing sales price per share on such exchange on the trading day immediately preceding the date of payment thereof, or if Company Shares are not listed on a national securities exchange on such date, then the average of the closing bid and asked prices for Company Shares in the over-the-counter market for the last preceding date on which there was a sale of such Company Shares in such market, or if Company Shares are not then traded in the over-the-counter market, such value as the Company in its discretion may determine, but in no event greater than the fair market value of such shares for federal income tax purposes, and (ii) the number of Company Shares covered by each such Incentive Stock Option;

(b) In the case of all other canceled Options held by you, the sum of (i) the product of (x) the difference (to the extent that such difference is a positive number) obtained by subtracting the per share exercise price of each such Option, whether or not then fully exercisable, from the higher of (1) if the Company Shares are then listed on a national securities exchange, the closing sales price on the Date of Termination of Company Shares on such national securities exchange, or if Company Shares are not listed on a national securities exchange on such date, then the average of the closing bid and asked prices for Company Shares in the over-the-counter market for the last preceding date on which there was a sale of such Company Shares in such market, or if Company Shares are not then traded in the over-the-counter market, such value as the Company in its discretion may determine, or (2) the highest price per Company Share actually paid in connection with any change in control of the Company, and (y) the number of Company Shares covered by such Option, plus (ii) the amount of any tax bonus that would be payable upon the exercise of such Option at the price set forth above;

(2) The Company shall continue to pay such amounts as may be required to maintain any insurance you may have had in force pursuant to the Company's Split Dollar Life Insurance Plan until the later of your sixty-fifth birthday or ten years after the insurance policy is issued, after which the Company will release to you its interest in each such policy.

(3) The Company shall also pay to you all legal fees and expenses incurred by you as a result of such termination (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement).

B. If your employment shall be terminated (1) by BCOP other than for Cause or Disability or (2) by you for Good Reason, then you shall not be required to mitigate the amount of any payment provided for in this Section 4 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 4 (except as otherwise provided in the immediately succeeding sentence) be reduced by any compensation earned by you as the result of employment by another employer or by retirement benefits after the Date of Termination, or otherwise.

5. Protective Limitation. Notwithstanding any provision hereof to the contrary, in the event you (A) would

receive payments under this Agreement or under any other plan, program, or policy sponsored by the Company or BCOP; (B) which payments relate to a change in control of the Company and which are determined (whether by the Company, your legal counsel, or the IRS) to be subject to excise tax under Section 4999 of the Code; and (C) if this excise tax would cause the net after-tax parachute payments, within the meaning of Section 280G of the Code ("Parachute Payments") actually received by you to be less than the net amount you would have received, after application of federal and state income taxes, had the present value of your total Parachute Payments equaled \$1.00 less than three times your base amount, as defined under Section 280G of the Code, then your Parachute Payments attributable to payments under this Agreement shall be reduced (by the minimum possible amount), so that their aggregate present value equals \$1.00 less than three times your base amount. For purposes of this paragraph, your tax rate will be the maximum marginal federal and state income tax rate on earned income, with the maximum federal rate to be computed with regard to Section 1(g) of the Code and applying any available deduction of state and local taxes for federal income tax purposes. If you and the Company are unable to agree as to the amount of the reduction described above, if any, you may select a law firm or accounting firm from among those firms regularly consulted by the Company prior to the change in control of the Company or other firms acceptable to the Company, and this law firm or accounting firm shall determine the amount of any reduction and the firm's

determination shall be final and binding on you and the Company.

6. Deferred Compensation and Benefits Trust. The Company has established a Deferred Compensation and Benefits Trust, and shall comply with the terms of that Trust. Upon the occurrence of any potential change in control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Agreement (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time, the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Agreement. The determination of the amount required to be transferred by the Company to the Trust shall include any amounts that could in any circumstances be payable in the future under Section 4 hereof, calculated in accordance with the following rules: (A) Upon a potential change in control of the Company, the Company will calculate the amount required to be transferred to the Trust based on the assumption that your employment, if not previously terminated, will be terminated by BCOP other than for Cause or Disability on the second anniversary of the potential change in control of the Company; (B) Upon any subsequent recalculation, your employment will be deemed to have been terminated by BCOP other than for Cause or Disability on the later of the date of actual termination or the date of such recalculation; and (C) For purposes of calculating the amount payable under Section 4.A.(1)(b) hereof, the amount determined under Section 4.A(1)(b)(i)(x) shall be deemed to be the higher of 200% of the closing sale price of Company Shares on the date of the potential change in control of the Company or the highest price at which Company Shares traded during the period between the potential change in control of the Company and the date as of which the calculation is being made.

For this purpose, the term Deferred Compensation and Benefits Trust shall mean the irrevocable trust established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust shall contain the following additional provisions:

(a) If a change in control of the Company does not occur within one year after the potential change in control of the Company, the Company may reclaim the assets transferred to the trustee or trustees subject to the requirement that it be again funded upon the occurrence of another potential change in control of the Company.

(b) Upon a change in control of the Company, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Agreement, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a change in control of the Company, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

7. Successors; Binding Agreement.

A. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle you to compensation from the Company in the same amount and on the same terms as you would be entitled hereunder if you terminate your employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

B. This Agreement shall inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your devisee, legatee or other designee or if there is no such designee, to your estate.

C. Any dispute between you and the Company regarding this Agreement may be resolved either by binding arbitration or by judicial proceedings at your sole election, and the Company agrees to be bound by your election in that regard.

8. Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

9. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by you and such officer as may be designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the state of Idaho (regardless of the law which may be applicable under principles of conflicts of law). All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to such sections. If the obligations of the Company under Section 4 arise prior to the expiration of the term of this Agreement, such obligations shall survive the expiration of the term.

10. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

11. Counterparts. This Agreement may be executed in

several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

12. No Guaranty of Employment. Neither this contract nor any action taken hereunder shall be construed as giving you a right to be retained as an employee or an executive officer of the Company or BCOP.

13. Governing Law. This Agreement shall be governed by and construed in accordance with Delaware law.

14. Other Benefits. Any payments due to you as provided herein are in addition to, and not in lieu of, any amounts to which you may be entitled under any other employee benefit plan, program or policy of the Company.

If this letter correctly sets forth our agreement on the subject matter hereof, kindly sign and return to the Company the enclosed copy of this letter which will then constitute our agreement on this subject.

Sincerely,

BOISE CASCADE CORPORATION

By _____
Alice E. Hennessey
Senior Vice President
Corporate Relations and
Human Resources

Agreed to this [] day
of [],

[Name of Officer]

Enclosure

H701110B.HP2

This Amendment No. 3 to the Trust Agreement between Boise Cascade Corporation and American National Bank and Trust Company of Chicago dated November 2, 1987, as amended and restated as of December 1, 1988, and as further amended December 15, 1988, and June 30, 1989 (the "Trust Agreement"), is effective the 7th day of December, 1995, and amends the Trust Agreement as follows:

In accordance with Section 1.01 of Article I, The Plans, of the Trust Agreement, the following plans and agreements of Boise Cascade Corporation, in the form attached hereto and as they may be amended hereafter from time to time, are hereby made subject to the Trust Agreement and are added to Exhibit A thereto:

1. Split-Dollar Life Insurance Plan
(Exhibit A(b)(2))
2. Supplemental Pension Plan (replacing the Boise Cascade Corporation Supplemental Retirement Policy)
(Exhibit A(k))
3. 1995 Executive Officer Deferred Compensation Plan
(Exhibit A(l))
4. 1995 Key Executive Deferred Compensation Plan
(Exhibit A(m))
5. 1995 Board of Directors Deferred Compensation Plan
(Exhibit A(n))
6. Key Executive Performance Plan for Key Executives/Key Managers (Exhibit A(o))

Sections 3.01 and 3.02 of Article III, Change in Control, of the Trust Agreement, are revised to read as follows:

SECTION 3.01 Definition of Potential Change in Control. For purposes of this Trust, a "Potential Change in Control" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

SECTION 3.02 Definition of Change in Control. For purposes of this Trust, a "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a Change in Control of the Company (a "Transaction") shall not constitute a Change in Control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like, (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company, or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

Sections 3.04 and 3.05 are hereby added to Article III, Change in Control, of the Trust Agreement, as follows:

SECTION 3.04 Definition of Beneficial Owner. For purposes of this Article III, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

SECTION 3.05 Definition of Person. For purposes of this Article III, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a

corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

In witness whereof, the parties have executed this Amendment No. 3 as of the date first written above.

BOISE CASCADE CORPORATION

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

By _____
John W. Holleran
Vice President and
General Counsel

By _____
Title _____

BOISE CASCADE CORPORATION
DIRECTOR STOCK COMPENSATION PLAN

As Amended Through December 7, 1995

BOISE CASCADE CORPORATION
DIRECTOR STOCK COMPENSATION PLAN

1. PLAN ADMINISTRATION AND ELIGIBILITY

1.1 Purpose. The purpose of the Director Stock Compensation Plan (the "Plan") of Boise Cascade Corporation (the "Company") is to encourage ownership of the Company's common stock by its nonemployee directors.

1.2 Administration. This Plan shall be administered by the Executive Compensation Committee (the "Committee") of the Board of Directors of the Company. The Committee shall have full authority to administer this Plan, including authority to interpret and construe any provision of this Plan and to adopt such rules for administering this Plan as it may deem necessary or appropriate. Decisions of the Committee shall be final and binding on all persons who have an interest in this Plan.

1.3 Participation in the Plan. Directors of the Company who are not employees of the Company or any of its subsidiaries are eligible to participate in this Plan.

2. STOCK SUBJECT TO THE PLAN

2.1 Number of Shares. The maximum number of shares of the Company's \$2.50 par value Common Stock ("Common Stock" or "Shares") which may be issued pursuant to options granted under this Plan shall be one hundred thousand (100,000) Shares, subject to adjustment as provided in Section 4.4.

2.2 Nonexercised Shares. If any outstanding option under this Plan for any reason expires or is terminated without having been exercised in full, the Shares allocable to the unexercised portion of the option shall again become available for issuance under options granted pursuant to this Plan.

2.3 Share Issuance. Upon the exercise of an option, the Company may issue new Shares or reissue Shares previously repurchased by or on behalf of the Company.

3. OPTIONS

3.1 Option Grant Dates. Options shall be granted automatically to each participating director on December 31 of each year (or, if December 31 is not a business day, on the immediately preceding business day) (the "Grant Date").

3.2 Option Price. The purchase price per share for the Shares covered by each option shall be \$2.50 (the "Option Price").

3.3 Number of Option Shares. The number of Shares subject to options granted to each participating director on each Grant Date will be the aggregate number of Shares determined by the following formulas:

3.3.1 Elected Portion of Annual Retainer and Meeting Fee Shares. The number of option Shares equal to the nearest whole number determined by the following formula:

$$\frac{\text{Elected Portion of Annual Retainer and Meeting Fees}}{(\text{Fair Market Value} - \$2.50)} = \frac{\text{Number of Option Shares}}{\text{Option Shares}}$$

3.3.2 Dividend Equivalent Shares. The number of option Shares equal to the nearest whole number determined by the following formula:

$$\frac{\text{Dividend Equivalent}}{(\text{Fair Market Value} - \$2.50)} = \frac{\text{Number of Option Shares}}{\text{Option Shares}}$$

3.3.3 Definitions. For purposes of determining the number of Shares granted under this Section 3.3, the following definitions will apply:

3.3.3.1 "Annual Retainer." The dollar amount of compensation paid to eligible directors each year which is identified by the Company as an annual retainer.

3.3.3.2 "Meeting Fees." The amount of compensation, in excess of the Annual Retainer, paid to eligible directors for their services as directors of the Company, including but not limited to fees earned for service as committee chairpersons and for meeting participation, but excluding amounts paid as reimbursement for actual expenses.

3.3.3.3 "Dividend Equivalent." The aggregate dollar value, determined each year, equal to the product of (i) the number of Shares subject to options held by a director pursuant to this Plan on each respective Record Date during the year plus one-half the number of Shares to be granted under Sections 3.3.1 and 3.3.2 for the year in which this calculation is being made, multiplied by (ii) the value of the dividend per Share paid by the Company for each respective Record Date.

3.3.3.4 "Elected Portion of Annual Retainer and Meeting Fees." A dollar amount determined each year for each director equal to the dollar amount of both the percentage of the Annual Retainer, if any, and the percentage of Meeting Fees, if any, which the director has irrevocably elected, in writing, to have paid in the form of options granted under this Plan. This written election must be received by the secretary of the Company on or before December 31 of each year and shall specify a percentage, up to 100%, of the director's Annual Retainer and a percentage, up to 100%, of the director's Meeting Fees for the following year to be paid in the form of options under this Plan; provided, however, that in the initial year of the Plan's operation a director's written election must be received by the secretary of the Company on or before February 28, 1992, and shall be effective only for Annual Retainer and Meeting Fee amounts earned during the period April 1, 1992, through December 31, 1992. Eligible directors initially elected or appointed to office as directors of the Company after adoption of this plan may make a written election under this paragraph within 30 days following their initial election or appointment to office, which election shall be effective for Annual Retainer and Meeting Fee amounts earned during the calendar year of their initial election or appointment to office.

3.3.3.5 "Fair Market Value." The closing price for Shares on July 31 as reported on The New York Stock Exchange Composite Tape or, if the New York Stock Exchange is not open for trading on July 31, on the immediately preceding trading day (the "Valuation Date").

3.3.3.6 "Record Date." Each date declared as a record date by the Board of Directors for the purpose of determining shareholders eligible to receive a dividend to be paid on Shares.

3.4 Director Terminations. If a director participating in this Plan retires, resigns, dies, or otherwise terminates his or her position on the Company's Board of Directors, on December 31 of the year in which the termination occurs the director shall be granted an option for Shares under this Plan equal in value to (i) the Elected Portion of Annual Retainer and Meeting Fees and (ii) the Dividend Equivalent. For purposes of this Section 3.4, the amount of the Annual Retainer shall be prorated through the date of termination.

3.5 Written Agreements. Each grant of an option under this Plan shall be evidenced by a written agreement, which shall comply with and be subject to the terms and conditions contained in this Plan.

3.6 Nonstatutory Stock Options. Options granted under this Plan shall not be entitled to special tax treatment under

3.7 Period of Option. No option may be exercised within six months of its Grant Date, provided, however, that options held by a director shall be immediately exercisable upon (i) that director's retirement because of age, disability, or death, or (ii) the occurrence of any of the events described in Section 3.11, [recognizing that Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Act"), may limit a director's ability to resell the Shares acquired upon the exercise until six months after the Grant Date]. No option shall be exercisable after expiration of three years from the date upon which the option holder terminates his or her position as a director of the Company.

3.8 Exercise of Options. Options may be exercised only by written notice to the secretary of the Company and payment of the exercise price in (i) cash, (ii) Shares (a director may surrender one or more Shares in the exercise of an Option with instructions to resurrender any Shares acquired upon exercise in one or more successive, simultaneous exercises until Options covering the number of specified Shares have been exercised), (iii) a loan from the Company, or (iv) delivery of an irrevocable written notice instructing the Company to deliver the Shares being purchased to a broker, subject to the broker's written guarantee to deliver cash to the Company, in each case equal to the full consideration of the Option Price for the

Shares which are being exercised. Options may be exercised in whole or in part.

3.9 Options Nontransferable. Each option granted under this Plan shall not be transferable by the optionee otherwise than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Internal Revenue Code of 1986, as amended, or Title I of the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder. No option granted under this Plan, or any interest therein, may be otherwise transferred, assigned, pledged, or hypothecated by the director to which the option was granted during his or her lifetime, whether by operation of law or otherwise, or be made subject to execution, attachment, or similar process.

3.10 Exercise by Representative Following Death of Director. A director, by written notice to the Company, may designate one or more persons (and from time to time change such designation), including his or her legal representative, who, by reason of the director's death, shall acquire the right to exercise all or a portion of an option granted under this Plan. Any exercise by a representative shall be subject to the provisions of this Plan.

3.11 Acceleration of Stock Options. Notwithstanding Section 3.7, if, while unexercised options remain outstanding hereunder:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale; then from and after the date on which any such event described

in paragraphs (a) through (d) above occurs (which shall constitute a "change in control" of the Company), all options previously granted under this Plan shall be immediately exercisable in full.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like, (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company, or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

4. GENERAL PROVISIONS

4.1 Effective Date of This Plan. This Plan shall be effective January 1, 1992, subject to approval by the shareholders of the Company. Options may be granted under this Plan only after shareholder approval of this Plan. Directors may give written notice pursuant to Section 3.3.4.4 any time after December 1, 1991.

4.2 Duration of This Plan. This Plan shall remain in effect until all Shares subject to option grants have been purchased or all unexercised options have expired. Notwithstanding the foregoing, no options may be granted pursuant to this Plan on or after the tenth anniversary of this Plan's effective date.

4.3 Amendment of This Plan. The Committee may suspend or discontinue this Plan or revise or amend it in any respect, provided, however, that without approval of a majority of the Company's shareholders no revision or amendment shall (i) change the number of Shares subject to this Plan (except as provided in Section 4.4), (ii) change the designation of the class of directors eligible to participate in the Plan, (iii) change the formulas to determine the amount, price, or timing for the grants, or (iv) materially increase the benefits accruing to participants under this Plan. Moreover, in no event may these Plan provisions be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules and regulations thereunder. No amendment, modification, or termination of this Plan shall in any manner adversely affect the rights of directors holding options granted under this Plan without their consent.

4.4 Changes in Shares. In the event of any merger, consolidation, reorganization, recapitalization, stock dividend, stock split, or other change in the corporate structure or capitalization affecting the Shares, appropriate adjustment shall be made in the number (including the aggregate numbers specified in Section 2.1) and kind of Shares or other securities which are or may become subject to options granted under this Plan prior to and subsequent to the date of the change.

4.5 Limitation of Rights.

4.5.1 No Right to Continue as a Director. Neither this Plan, nor the granting of an option under this Plan, nor any other action taken pursuant to this Plan shall constitute or be evidence of any agreement or understanding, express or implied, that the Company will retain a director for any period of time, or at any particular rate of compensation.

4.5.2 No Shareholders' Rights for Options. An optionee shall have no rights as a shareholder with respect to the Shares covered by his or her options until the date of the issuance to him or her of a stock certificate therefor.

4.6 Assignments. The rights and benefits under this Plan may not be assigned except as provided in Sections 3.9 and 3.10.

4.7 Notice. Any written notice to the Company required by any of the provisions of this Plan shall be addressed to the secretary of the Company and shall become effective when it is received.

4.8 Shareholder Approval and Registration Statement. This Plan shall be approved by the Board of Directors and submitted to the Company's shareholders for approval. Directors may elect to participate in this Plan prior to shareholder approval and prior to filing (and effectiveness of) a registration statement with the Securities and Exchange Commission covering the Shares to be issued upon the exercise of options. Any options granted under this Plan prior to effectiveness of the registration statement shall not be exercisable until, and are expressly conditional upon, the effectiveness of a registration statement covering the Shares.

4.9 Governing Law. This Plan and all determinations made and actions taken pursuant hereto shall be governed by and construed in accordance with the laws of the state of Delaware.

BOISE CASCADE CORPORATION
DIRECTOR STOCK OPTION PLAN

As Amended Through December 7, 1995

BOISE CASCADE CORPORATION
DIRECTOR STOCK OPTION PLAN

1. PLAN ADMINISTRATION AND ELIGIBILITY

1.1 Purpose. The purpose of the Boise Cascade Corporation Director Stock Option Plan (the "Plan") is to encourage ownership of the Company's common stock by its nonemployee directors.

1.2 Administration. This Plan shall be administered by the Executive Compensation Committee (the "Committee") of the Board of Directors of the Company. The Committee shall have full authority to administer this Plan, including authority to interpret and construe any provision of this Plan and to adopt such rules for administration of this Plan as it may deem necessary or appropriate. Decisions of the Committee shall be final and binding on all persons who have an interest in this Plan.

1.3 Participation in the Plan. Individuals who are directors of the Company as of each January 1, and who are not employees of the Company or any of its subsidiaries, are eligible to receive grants of options in that calendar year in accordance with Section 3.1 of this Plan ("Eligible Directors").

2. STOCK SUBJECT TO THE PLAN

2.1 Number of Shares. The maximum number of shares of the Company's \$2.50 par value Common Stock ("Common Stock" or "Shares") which may be issued pursuant to options granted under this Plan shall be one hundred thousand Shares, subject to adjustment as provided in Section 4.4.

2.2 Nonexercised Shares. If any outstanding option under this Plan for any reason expires or is terminated without having been exercised in full, the Shares allocable to the unexercised portion of the option shall again become available for issuance under options granted pursuant to this Plan.

2.3 Share Issuance. Upon the exercise of an option, the Company may issue new Shares or reissue Shares previously repurchased by or on behalf of the Company.

3. OPTIONS

3.1 Option Grant Dates. Options shall be granted automatically to each Eligible Director on July 31 of each year (or, if July 31 is not a business day, on the immediately preceding trading day) (the "Grant Date"). Any nonemployee director first elected as a director after January 1 but prior to December 31 in any year shall be granted an option covering the same number of shares as options granted to Eligible Directors on the Grant Date for that calendar year. The Grant Date for an option granted to a newly-elected director hereunder shall be the later of July 31 or the date of such

director's election to the board, and the Option Price of such option shall be determined as of such Grant Date.

3.2 Option Price. The purchase price per share for the Shares covered by each option shall be the closing price for a share of Common Stock as reported on the composite tape by the New York Stock Exchange on the Grant Date (the "Option Price").

3.3 Number of Option Shares. The number of Shares subject to options granted to each participating director on each Grant Date will be 1,000. The board of directors may increase or decrease this number, not more frequently than once each year, by action taken at least six months prior to the Grant Date for which such increase or decrease is effective.

3.4 Director Terminations. If a director participating in this Plan retires, resigns, dies, or otherwise terminates his or her position on the Company's Board of Directors prior to January 1 of any year, he or she shall not be eligible to receive a grant of an option in the year immediately following the year in which he or she so terminates.

3.5 Written Documentation. Each grant of an option under this Plan shall be evidenced in writing, which shall comply with and be subject to the terms and conditions contained in this Plan.

3.6 Nonstatutory Stock Options. Options granted under this Plan shall not be entitled to special tax treatment under Section 422A of the Internal Revenue Code of 1986.

3.7 Period of Option. Options may be exercised 12 months after their Grant Date, provided, however, that options held by a director shall be immediately exercisable upon the occurrence of any of the events described in Section 3.11, recognizing that Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Act"), may limit a director's ability to resell the Shares acquired upon the exercise until six months after the Grant Date. No option shall be exercisable after the earlier to occur of (a) three years from the date upon which the option holder terminates his or her position as a director of the Company or (b) ten years from the option's Grant Date.

3.8 Exercise of Options. Options may be exercised only by written notice to the secretary of the Company and payment of the exercise price in (i) cash, (ii) Shares, (iii) a loan from the Company, or (iv) delivery of an irrevocable written notice instructing the Company to deliver the Shares being purchased to a broker selected by the Company, subject to the broker's written guarantee to deliver cash to the Company, in each case equal to the full consideration of the Option Price for the Shares which are being exercised. Options may be exercised in whole or in part.

3.9 Options Nontransferable. Each option granted under this Plan shall not be transferable by the optionee other than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Internal Revenue Code of 1986, as amended, or Title I of the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder. No option granted under this Plan, or any interest therein, may be otherwise transferred, assigned, pledged, or hypothecated by the director to which the option was granted during his or her lifetime, whether by operation of law or otherwise, or be made subject to execution, attachment, or similar process.

3.10 Exercise by Representative Following Death of Director. A director, by written notice to the Company, may designate one or more persons (and from time to time change such designation), including his or her legal representative, who, by reason of the director's death, shall acquire the right to exercise all or a portion of an option granted under this Plan. Any exercise by a representative shall be subject to the provisions of this Plan.

3.11 Acceleration of Stock Options. Notwithstanding Section 3.7, if, while unexercised options remain outstanding hereunder:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then

serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale; then from and after the date on which any such event described in paragraphs (a) through (d) above occurs (which shall constitute a "change in control" of the Company), all options previously granted under this Plan shall be immediately exercisable in full.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like, (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company, or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding

securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

4. GENERAL PROVISIONS

4.1 Effective Date of This Plan. This Plan shall be effective December 16, 1994, subject to approval by the shareholders of the Company. Options may be granted under this Plan only after shareholder approval of this Plan.

4.2 Duration of This Plan. This Plan shall remain in effect until all Shares subject to option grants have been purchased or all unexercised options have expired. Notwithstanding the foregoing, no options may be granted pursuant to this Plan on or after the tenth anniversary of this Plan's effective date.

4.3 Amendment of This Plan. The board of directors may suspend or discontinue this Plan or revise or amend it in any respect, provided, however, that without approval of a majority of the Company's shareholders no revision or amendment shall (i) change the number of Shares subject to this Plan (except as provided in Section 4.4), (ii) change the designation of the class of directors eligible to participate in the Plan, (iii) change the exercise price of the options, or (iv) materially increase the benefits accruing to participants under or the cost of this Plan to the Company. Moreover, in no event may Plan provisions be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules and regulations thereunder. No amendment, modification, or termination of this Plan shall in any manner adversely affect the rights of any director holding options granted under this Plan without his or her consent.

4.4 Changes in Shares. In the event of any merger, consolidation, reorganization, recapitalization, stock dividend, stock split, or other change in the corporate structure or capitalization affecting the Shares, appropriate adjustment shall be made in the number (including the aggregate numbers specified in Section 2.1) and kind of Shares or other securities which are or may become subject to options granted under this Plan prior to and subsequent to the date of the change.

4.5 Limitation of Rights.

4.5.1 No Right to Continue as a Director. Neither this Plan, nor the granting of an option under this Plan, nor any other action taken pursuant to this Plan shall constitute or be evidence of any agreement or understanding, express or implied, that the Company will retain a director for any period of time, or at any particular rate of compensation.

4.5.2 No Shareholders' Rights for Options. An optionee shall have no rights as a shareholder with respect to the Shares covered by his or her options until the date of the issuance to him or her of a stock certificate therefor.

4.6 Assignments. The rights and benefits under this Plan may not be assigned except as provided in Sections 3.9 and 3.10.

4.7 Notice. Any written notice to the Company required by any of the provisions of this Plan shall be addressed to the secretary of the Company and shall become effective when it is received.

4.8 Shareholder Approval and Registration Statement. This Plan shall be approved by the Board of Directors and submitted to the Company's shareholders for approval. Any options granted under this Plan prior to effectiveness of a registration statement filed with the Securities and Exchange Commission covering the Shares to be issued hereunder shall not be exercisable until, and are expressly conditional upon, the effectiveness of a registration statement covering the Shares.

4.9 Governing Law. This Plan and all determinations made and actions taken pursuant hereto shall be governed by and construed in accordance with the laws of the state of Delaware.

1995 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

(Effective January 1, 1996)

BOISE CASCADE CORPORATION
1995 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1995 Executive Officer Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing executive officers of the Company the opportunity to defer a portion of their compensation and thereby encourage their productive efforts on behalf of the Company. The Plan is also intended to provide Participants with an opportunity to supplement their retirement income through deferral of current compensation. The Plan is an unfunded plan providing deferred compensation to a select group of senior management or highly compensated employees of the Company.

2. Definitions.

2.1 Account Accumulation Rate. The rate of imputed interest which shall be applied to Participants' Deferred Accounts. This rate shall be equal to Moody's Times 130% during (i) the period of time the Participant is employed by the Company or any of its subsidiaries, and (ii) during the period following the Participant's Termination of Employment, provided that at the time of such Termination of Employment the Participant (i) satisfies the Rule of 70 or (ii) has attained age 55 and has ten or more Years of Service. With respect to any time period not included in the foregoing, the Account Accumulation Rate applicable to a Participant's Deferred Account shall be equal to Moody's.

2.2 Compensation. A Participant's salary, commission, bonus, and other payments for personal services rendered by a Participant to the Company during a calendar year, determined prior to giving effect to any deferral election under this Plan or any incentive compensation plan sponsored by the Company. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursement, cost-of-living allowance, education allowance, premium on excess group life insurance, or any Company contribution to the Pension Plan or any savings or 401(k) plan sponsored by the Company; the fact that an amount constitutes taxable income to the Participant shall not be controlling for this purpose. Compensation shall not include any taxable income realized by, or payments made to, an employee as a result of the grant or exercise of an option to acquire stock of the Company or as a result of the disposition of such stock, and shall not include compensation resulting from any stock option, stock bonus, restricted stock, phantom stock or similar long-term incentive plan.

2.3 Competitor. Any business, foreign or domestic, which is engaged, at any time relevant to the provisions of this Plan, in the manufacture, sale, or distribution of products, or in the providing of services, in competition with products manufactured, sold or distributed, or services provided, by the Company. The determination of whether an entity is a competitor of the Company shall be made by the Company's General Counsel, in his or her sole and absolute discretion.

2.4 Deferred Account. The record on the Company's books of the cumulative amount of (i) a Participant's compensation deferred pursuant to this Plan, plus (ii) imputed interest on such deferred amounts accrued as provided in Section 5.1.

2.5 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his or her Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.6 Deferred Compensation and Benefits Trust. The irrevocable trust established by the Company with an independent trustee for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which trust will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

The Deferred Compensation and Benefits Trust shall contain the following provisions:

a. If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

b. Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

c. The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

d. The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

e. A "Potential Change in Control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company for purposes of this Agreement has occurred.

f. A "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(i) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(ii) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(iii) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (a) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or

becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(iv) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (a) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like, (b) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company, or (c) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.7 Early Retirement Date. The date of a Participant's Termination of Employment for reasons other than death or Disability (as defined in the Pension Plan), prior to attainment of age 65 but subsequent to attaining age 55, and after completing ten Years of Service with the Company.

2.8 Executive Officer. Executive Officers of the Company required to be identified as such in the Company's Annual Report on Form 10-K as filed with the Securities Exchange Commission.

2.9 Moody's. An annualized rate of interest equal to Moody's Composite Average of Yields on Corporate Bonds as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto) or, if such monthly report is no longer published, a substantially similar rate determined in a manner determined to be appropriate by the Company in its sole discretion. The rate to be applied for purposes of this Plan shall be based, for any given month, on the published rate for the immediately preceding calendar month.

2.10 Moody's Times 130%. An annualized rate of interest equal to 130% times Moody's Composite Average of Yields on Corporate Bonds as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto), or, if such monthly report is no longer published, a substantially similar rate selected by the Company in its sole discretion. The rate to be applied for purposes of this Plan shall be based, for any given month, on

such published rate for the immediately preceding calendar month.

2.11 Normal Retirement Date. The first day of the month coincident with or next following a Participant's 65th birthday.

2.12 Participant. An Executive Officer who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.13 Pension Plan. The Boise Cascade Corporation Pension Plan for Salaried Employees, as adopted by the Company and as amended from time to time.

2.14 Rule of 70. The attainment by a Participant of a number of Years of Service and age which, when added together, equal or exceed 70.

2.15 Year of Service. A Year of Service as accumulated under the Pension Plan.

2.16 Termination of Employment. The Participant's ceasing to be employed by the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement, death or disability (as defined in the Pension Plan), provided that transfer from the Company to a subsidiary or parent of the Company shall not be deemed a Termination of Employment for purposes of this Plan.

3. Administration and Interpretation of the Plan. The Company, acting through the Executive Compensation Committee of the board of directors (the "Committee"), shall administer the Plan. The Committee has sole discretion to interpret the Plan and all questions that may arise under the Plan, including but not limited to questions of eligibility, benefit amount, and interpretation of definitions. The responsibilities of the Committee may be delegated to the extent permitted by law to the Company's management or to third parties. Interpretation of this Plan by the Committee shall be final and binding upon a Participant. The Committee may adopt rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Committee may also delegate administrative responsibilities to advisors or other persons who are not employees of the Company and may rely upon information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

4. Participant Compensation Deferral.

4.1 Compensation Deferral. An Executive Officer who wishes to participate in the Plan during the period from January 1, 1996, through December 31, 2000, shall execute a written Deferred Compensation Agreement in substantially the form attached hereto as Exhibit A. The amount of annual Compensation to be deferred shall be in whole percentage increments as specified in the Deferred Compensation Agreement. The period during which Compensation is reduced shall be the calendar years specified in the Deferred Compensation Agreement. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 Alteration of Compensation Deferral. The amount of compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Company. A request to alter the amount of compensation deferred must be submitted by a Participant in writing to the Company prior to January 1 of the year for which such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Company, the modification shall affect only future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

4.3 Company Contribution. The Company shall, at the election of a Participant, contribute to the Participant's Deferred Account an additional amount equal to 4.2% of the Participant's Compensation, to be used to provide benefits as specified in the Deferred Compensation Agreement. If a Participant elects to have such an amount contributed under the Deferred Compensation Agreement, the Company shall not make any matching contribution for such Participant under any savings or 401(k) plan sponsored or participated in by the Company.

5. Payment of Deferred Amounts.

5.1 Participant Account. The Company shall maintain, for each Participant, a record of the Participant's

deferrals by accumulating the amount of his or her deferred compensation, plus the Company contribution, if any, and each month the record shall be updated with an imputed monthly rate of interest equal to the applicable Account Accumulation Rate.

5.2 Plan Benefits Upon Termination of Employment (Nonretirement). Upon Termination of Employment for reasons other than death or disability prior to satisfying the Rule of 70 or attaining age 55 with ten or more Years of Service, the Account Accumulation Rate on such Participant's Deferred Account shall be adjusted, effective as of the Date of Termination of Employment, to a rate equal to Moody's. Such rate shall apply prospectively from the Date of Termination to all undistributed amounts of the Participant's Deferred Account.

If a Participant provides services for remuneration to a Competitor following Termination of Employment, the Company may, in its sole discretion, distribute the Participant's account balance in a lump sum in lieu of any other benefits provided under this Plan. The Company may, in its discretion, consent to a Participant's rendering services to a Competitor; and if it does so consent, it may place whatever limitations it considers appropriate on the consent. If the Participant breaches the terms of the consent, the Company may, in its sole discretion, distribute the Participant's account in a lump sum.

5.3 Plan Benefits Upon Retirement. Upon Termination of Employment, for reasons other than disability, after satisfying the Rule of 70 or attaining age 55 with ten or more Years of Service, a Participant shall be paid his or her Deferred Account in a lump sum or in equal monthly installments calculated to distribute his or her Deferred Account over a period of not more than 15 years. Payments shall commence on the date and shall be made in the manner elected by the Participant in the Deferred Compensation Agreement. Unpaid balances under the installment election continue to be credited with imputed interest at the applicable Account Accumulation Rate. If a Participant does not make an election, his or her account shall be paid out in monthly installments over 15 years beginning January 1 of the year following Termination of Employment.

5.4 Hardship Distribution. In the event of serious and unanticipated financial hardship, a Participant may request termination of his or her participation in the Plan and a lump-sum distribution of all or a portion of his or her account balance. The Participant making a hardship termination and distribution request under this section shall document, to the Company's satisfaction, that termination of participation and distribution of his or her account is necessary to satisfy an unanticipated, immediate, and serious financial need, and that the Participant does not have access to other funds, including proceeds of any loans, sufficient to satisfy the need. Upon receipt of a request under this section, the Company may, in its sole discretion, terminate the Participant's involvement in the Plan and distribute all or a portion of the Participant's account balance in a lump sum, to the extent such distribution is necessary to satisfy the financial need. The Participant shall sign all documentation requested by the Company relating to any such distribution, and any Participant whose participation in the Plan terminates under this paragraph may not resume participation for a minimum of 12 months following the date of any distribution.

5.5 Premature Distribution with Penalty. Notwithstanding any provision in this Plan to the contrary, a Participant or beneficiary may, at any time, request a single lump-sum payment of the amount credited to an account or accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the Participant's accumulated account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such accumulated account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in this event, any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during this 12-month period.

5.6 Distribution Upon Extraordinary Events. In the event any Participant terminates employment with the Company as a direct result of the sale or divestiture of a facility, operating division, or reduction in force in connection with

any reorganization of the Company's operations or staff, such Participant may request distribution of his or her entire account balance. Upon receipt of a request for distribution under this section, the Company may, in its sole discretion, elect whether to approve or deny the request. If the Company approves a request under this section, distribution of the Participant's account shall occur no later than the January 1 of the year following the year during which such Termination of Employment occurs.

5.7 Small Account Distributions. In the event a Participant terminates employment with the Company for any reason and the Participant's benefit under this Plan is less than either (1) \$5,000 in lump sum present value, calculated in accordance with reasonable assumptions, or (2) the monthly payment under the benefit payment option selected by the Participant is less than \$75 per month, such Participant may request distribution of his or her entire account balance. Upon receipt of a request for distribution under this section, the Company may, in its sole discretion, elect whether to approve or deny the request. If the request is approved, the Company shall close the Participant's account and distribute the Participant's entire account balance in a single lump sum. Any distribution under this paragraph shall be made no later than January 1 of the year following the year in which such Termination of Employment occurs.

5.8 Change of Election. A Participant may request a change in the payout election any time prior to January 1 of the year benefits are scheduled to be paid, provided that the request is received by the Company at least 30 days prior to the date benefits are scheduled to be paid. The changed payout election must be one of the payout options in the original deferral agreement. Such request must be in writing and shall be approved or denied at the sole discretion of the Company. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

5.9 Distributions Following Participant Death. If a Participant dies after his or her benefits have commenced and prior to the distribution of his or her entire Deferred Account, his or her beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement. If a Participant dies prior to the commencement of Plan distributions, the Company shall pay his or her designated beneficiary or beneficiaries the Participant's Deferred Account balance. Payments shall be made as specified in the Deferred Compensation Agreement. The Participant Account shall be updated with a monthly rate of interest equal to the Account Accumulation Rate.

5.10 Disability Benefit. If a Participant terminates employment with the Company prior to attaining age 65 due to a disability, the Participant may apply to the Company to have his or her account distributed in monthly installments over a 15 year period commencing on the first day of the month following the month in which the Company approves such request. The Company may, in its sole discretion, approve or deny any such request.

5.11 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Employment Not Guaranteed by Plan. Neither this Plan nor any action taken hereunder shall be construed as giving a Participant the right to be retained as an Executive Officer or as an employee of the Company for any period.

6.3 Taxes. The Company shall deduct from all payments made hereunder all applicable federal or state taxes required by law to be withheld from such payments.

6.4 Construction. To the extent not preempted by federal law, the Plan shall be construed according to the laws of the state of Idaho.

6.5 Form of Communication. Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company shall prescribe. Such communication shall be effective, upon receipt by the Company's Manager of Executive Compensation, 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

7. No Reduction in Pension Benefit. To compensate a Participant for any reduction in pension benefits under the Pension Plan which may result from a Participant's deferring Compensation under this Plan, the Company shall pay to the Participant an amount equal to the reduction in pension benefits in accordance with the Company's Supplemental Pension Plan.

8. Amendment and Termination. The Company, acting through its board of directors or any committee thereof, may at any time amend the Plan, provided that the amendment shall not adversely affect any vested right or benefit of a Participant under the Plan without the prior consent of a Participant.

9. Unsecured General Creditor. Participants and their beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interest or claims in any property or assets of the Company. Such assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future.

10. Deferred Compensation and Benefits Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company will transfer to the Deferred Compensation and Benefits Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105 percent of the amount necessary to pay the Company's obligations with respect to Deferred Accounts under this Plan, calculated on an actuarial basis and in accordance with the terms of the Trust (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company will make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan.

11. Claims Procedure. Claims for benefits under the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Manager of Executive Compensation, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to such claim in the name and on behalf of the Company. Such written notice of a claim shall include a statement of all facts believed by the Participant to be relevant to the claim and shall include copies of all documents, materials, or other evidence that the Participant believes relevant to such claim. Written notice of the disposition of a claim shall be furnished the claimant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days by the Company, in its sole discretion, by providing written notice of such extension to the claimant prior to the expiration of the original 90-day period. In the event the

claim is denied, the specific reasons for such denial shall be set forth in writing, pertinent provisions of the Plan shall be cited and, where appropriate, an explanation as to how the claimant may perfect the claim or submit such claim for review will be provided.

12. Claims Review Procedure. Any Participant, former Participant or Beneficiary of either, who has been denied a benefit claim shall be entitled, upon written request, to a review of his or her denied claim. Such request, together with a written statement of the claimant's position, shall be filed no later than 60 days after receipt of the written notification provided for in the above paragraph, and shall be filed with the Company's Manager of Executive Compensation, who shall promptly inform the Committee. The Committee shall make its decision, in writing, within 60 days after receipt of the claimant's request for review. The Committee's written decision shall state the facts and plan provisions upon which its decision is based. The Committee's decision shall be final and binding on all parties. This 60-day period may be extended an additional 60 days by the Committee, in its discretion, by providing written notice of such extension to the claimant prior to the expiration of the original 60-day period.

1995 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

(Effective January 1, 1996)

BOISE CASCADE CORPORATION
1995 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1995 Board of Directors Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing nonemployee directors of the Company the opportunity to defer receipt of all or a portion of their cash compensation and thereby reward and encourage their productive efforts on the Company's behalf.

2. Definitions.

2.1 Account Accumulation Rate. The rate of imputed interest which shall be applied to Participants' Deferred Accounts. This rate shall be equal to Moody's Times 130%.

2.2 Compensation. A Participant's fees, payable in cash, for services rendered by a Participant as a director of the Company during a calendar year. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursements.

2.3 Deferred Account. The record on the Company's books of the cumulative amount of (i) a Participant's compensation deferred pursuant to this Plan, plus (ii) imputed interest on such deferred amounts accrued as provided in Section 5.1.

2.4 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his or her Compensation pursuant to the provisions of the Plan, from a minimum of \$5,000/year to a maximum of 100% of his or her Compensation, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.5 Deferred Compensation and Benefits Trust. The irrevocable trust established by the Company with an independent trustee for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which trust will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

The Deferred Compensation and Benefits Trust shall contain the following provisions:

a. If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

b. Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

c. The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

d. The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

e. A "Potential Change in Control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting

power of the Company's then outstanding securities; or
(iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

f. A "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(i) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(ii) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(iii) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (a) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(iv) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a Change in Control of the Company (a "Transaction") shall not constitute a Change in Control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (a) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially

equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title, and the like; (b) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (c) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.6 Director. An individual who is not an employee of Boise Cascade Corporation and who is a member of the Board of Directors of Boise Cascade Corporation.

2.7 Moody's Times 130%. An annualized rate of interest equal to 130% times Moody's Composite Average of Yields on Corporate Bonds as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto) or, if such monthly yield is no longer published, a substantially similar rate selected by the Board in its sole discretion. The rate to be applied for purposes of this Plan shall be based, for any given month, on the published rate for the immediately preceding calendar month.

2.8 Participant. A Director who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.9 Termination. The Participant's ceasing to be a Director of the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement or death.

3. Administration and Interpretation of the Plan. The Company, acting through its board of directors, shall administer and interpret the Plan, and interpretation by the Company shall be final and binding upon a Participant. The Company may adopt rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Company may also delegate administrative responsibilities to advisors or other persons who are not employees of the Company and may rely upon information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

4. Participant Compensation Deferral.

4.1 Compensation Deferral. A Director who wishes to participate in the Plan shall execute a written Deferred Compensation Agreement, in the format provided by the Company, whereby the Director elects to defer a portion of his or her Compensation otherwise earned and payable for the period from January 1, 1996, through December 31, 2000. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 Participation. A person who is a Director or becomes a Director on or subsequent to January 1, 1996, and prior to December 31, 2000, shall be entitled to participate in the Plan until December 31, 2000, and shall be bound by all the other terms and conditions of the Plan. A Director shall complete a Deferred Compensation Agreement within 30 days of becoming eligible and being notified of the terms and conditions of the Plan. Reduction of compensation pursuant to the Deferred Compensation Agreement shall commence as of the date of such director's election to the Board of Directors.

4.3 Alteration of Compensation Deferral. The amount of Compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Company. A request to alter the amount of Compensation deferred must be submitted by a Participant in writing to the Company prior to January 1 of the year for which such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Company, the modification shall affect only

future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

5. Payment of Deferred Amounts.

5.1 Participant Account. The Company shall maintain, for each Participant, a record of the Participant's deferrals by accumulating the amount of his or her deferred compensation, and each month the account shall be updated with a monthly rate of interest equal to the applicable Account Accumulation Rate.

5.2 Benefits. Upon Termination, a Participant shall be paid his or her account in a lump sum or in equal quarterly installments calculated to distribute his or her account plus accrued interest for a period of not more than 15 years. Payments shall commence on the date and shall be made in the manner elected by the Participant in the Deferred Compensation Agreement. Unpaid balances under the installment election continue to earn interest at the applicable Account Accumulation Rate. If a Participant does not make an election, his or her account shall be paid out in quarterly installments over 15 years beginning January 1 of the year following Termination. The Participant may request other forms of payout which are subject to approval by the Company, pursuant to Section 5.3.

5.3 Change of Election. A Participant may request a change in the payout election anytime prior to January 1 of the year benefits are scheduled to be paid. The changed payout election must be one of the payout options in the original Deferred Compensation Agreement. Such request must be in writing and shall be approved or denied at the sole discretion of the Company. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

Notwithstanding any provision in this Plan to the contrary, a Participant or Beneficiary may at any time request a single lump-sum payment of the amount credited to an account or accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the Participant's Deferred Account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in such event any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during this 12-month period.

5.4 Payment on Death After Benefits Commence. If a Participant dies after his or her benefits have commenced and prior to the distribution of his or her entire Deferred Account, his or her beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement.

5.5 Death Benefit. If a Participant should die prior to the commencement of Plan distributions, the Company shall pay his or her designated beneficiary or beneficiaries the Participant's Deferred Account balance. Payments shall be made as specified in the Deferred Compensation Agreement. The undistributed portion of Participant's account shall be updated with a monthly rate of interest equal to the applicable Account Accumulation Rate.

5.6 Recipient of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the Participant's estate.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and

interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Taxes. The Company shall deduct from all payments made hereunder all applicable federal or state taxes required by law to be withheld from such payments.

6.3 Construction. To the extent not preempted by federal law, the Plan shall be construed according to the laws of the State of Idaho.

6.4 Form of Communication. Any election, application, claim, notice or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company shall prescribe. Such communication shall be effective upon mailing, if sent by first-class mail, postage prepaid, to the Company's Corporate Secretary.

7. Amendment and Termination. The Board of Directors may, at any time, amend the Plan, provided that the amendment shall not adversely affect any right or benefit of a Participant under the Plan without the prior consent of the Participant.

8. Unsecured General Creditor. Participants and their beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interest or claims in any property or assets of the Company. Such assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future.

9. Deferred Compensation and Benefits Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company will transfer to the Deferred Compensation and Benefits Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105 percent of the amount necessary to pay the Company's obligations with respect to Deferred Award Accounts under this Plan, calculated on an actuarial basis and in accordance with the terms of the Trust (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company will make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan.

10. Claims Procedure. Claims for benefits under the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Manager of Executive Compensation, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to such claim in the name and on behalf of the Company. Such written notice of a claim shall include a statement of all facts believed by the Participant to be relevant to the claim and shall include copies of all documents, materials, or other evidence that the Participant believes relevant to such claim. Written notice of the disposition of a claim shall be furnished the claimant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days by the Company, in its sole discretion, by providing written notice of such extension to the claimant prior to the expiration of the original 90-day period. In the event the claim is denied, the specific reasons for such denial shall be set forth in writing, pertinent provisions of the Plan shall be cited and, where appropriate, an explanation as to how the claimant may perfect the claim or submit such claim for review will be provided.

11. Claims Review Procedure. Any Participant, former Participant or Beneficiary of either, who has been denied a benefit claim shall be entitled, upon written request, to a review of his or her denied claim. Such request, together with a written statement of the claimant's position, shall be filed no later than 60 days after receipt of the written notification provided for in the above paragraph, and shall be filed with the Company's Manager of Executive Compensation, who shall promptly inform the Board of Directors. The Board of Directors shall make its decision, in writing, within 60 days after receipt of the claimant's request for review. The Board of Directors' written decision shall state the facts and plan provisions upon which its decision is based. The Board of Directors' decision shall be final and binding on all

parties. This 60-day period may be extended an additional 60 days by the Board of Directors, in its discretion, by providing written notice of such extension to the claimant prior to the expiration of the original 60-day period.

BOISE CASCADE CORPORATION

SPLIT-DOLLAR LIFE INSURANCE PLAN

(As Amended Through December 7, 1995)

BOISE CASCADE CORPORATION

SPLIT-DOLLAR LIFE INSURANCE PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation Split-Dollar Life Insurance Plan (the "Plan") is to provide executive officers who participate in the Plan with an insured death benefit during employment and after retirement. Executive officers who become Participants may purchase a life insurance policy from a designated insurance carrier. Payment of policy premiums will be shared by the Company, as described herein. Executives who participate in the Plan shall execute a Split Dollar Agreement, substantially in the form attached hereto as Exhibit A, prior to becoming eligible for any benefits under this Plan.

The Executive Compensation Committee of the board of directors of the Company shall designate executive officers eligible to participate in the Plan.

2. Definitions.

2.1 "Annual Premium" shall mean the amount of consideration determined by the Insurance Carrier for the cost of coverage provided by the Plan. The Annual Premium shall have the following two components: (1) The basic Annual Premium shall be the amount of the Annual Premium for standard risk life insurance coverage determined by the Insurance Carrier's published rate schedule; and (2) the extra premium shall be the amount of the Annual Premium, if any, required for a life insurance risk determined by the Insurance Carrier to be substandard.

2.2 "Base Salary" shall mean the annual Base Salary in effect on the policy anniversary date preceding the Participant's death if such death occurs while the Participant is an active Employee of the Company.

2.3 "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or

(ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or:

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a Change in Control of the Company (a "Transaction") shall not constitute a Change in Control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title, and the like; (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.4 "Corporate Capital Interest" shall mean accumulative amounts paid by the Company for an Insurance Policy Annual Premium as set forth in paragraph 6.1. The Corporate Capital Interest shall be reduced by policy loans, if any (including interest thereon), made by the Company.

2.5 "Company" shall mean Boise Cascade Corporation.

2.6 "Deferred Compensation and Benefits Trust" shall mean the irrevocable trust ("Trust") established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the Trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust shall contain the following provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee or trustees subject to the requirement that it be again funded as stated in the preceding paragraph upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay the Company's obligations under this Plan, except to the extent such

obligations are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those amounts.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the Trust assets or upon payment of all the Company's obligations pursuant to all plans participating in the Trust.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.7 "Effective Date" shall mean April 1, 1995.

2.8 "Employee" shall mean an individual who receives a Base Salary for personal services rendered to the Company.

2.9 "Final Salary" shall mean the Participant's annual Base Salary on his or her Retirement date.

2.10 "Insurance Carrier" shall mean the life insurance company or companies selected to issue policies under or pursuant to the Plan.

2.11 "Insurance Policy" shall mean any individually purchased Insurance Policy, together with additional policy benefits and riders, if any, issued by the Insurance Carrier pursuant to the Plan. Unless required otherwise by the Plan, Insurance Policy terms used herein shall have the same meaning as in the Insurance Policy. In amplification but not in limitation of the foregoing, such Insurance Policy terms as "policy year," "dividend," and "policy loan" shall have the same meaning for purposes of this Plan as for purposes of the Insurance Policy.

2.12 "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.13 "Participant" shall mean an executive officer of the Company who is designated by the Committee as eligible to participate in the Plan and who has met all the applicable eligibility requirements under the Plan.

2.14 "Plan Administrator" shall mean the Executive Compensation Committee (the "Committee") of the board of directors of the Company. The Committee may delegate day-to-day administrative functions to the Company's management.

2.15 "Potential Change in Control" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control of the Company; (iii) any person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.16 "Retirement" shall mean the termination of employment of a Participant, for reasons other than death or disability, who has attained age 55 with ten years of service with the Company, as defined in the Boise Cascade Corporation Pension Plan for Salaried Employees, and five years of service as an executive officer of the Company.

2.17 "Assignment or Collateral Assignment" shall mean an agreement to be signed by each Participant, substantially in the form attached hereto as Exhibit B, whereby the Participant, as owner of the Insurance Policy, agrees to set over certain Insurance Policy rights to the Company as collateral security for

the Company's Corporate Capital Interest under the Plan.

2.18 "Trustee's Payment Schedule" shall mean the schedule of Insurance Policy premiums payable by the Trustee(s) of the Deferred Compensation and Benefits Trust during the period of a Potential Change in Control and after a Change in Control as specified on the form attached hereto.

3. Administration and Interpretation of the Plan.

3.1 Plan Administrator. Except as otherwise provided in the Plan, the Committee shall have control over the administration and interpretation of the Plan, with all powers necessary to enable it to carry out its duties in such respect. The Committee may adopt such rules and regulations relating to the Plan as the Committee deemed necessary or advisable for the administration of the Plan. The Committee may delegate administrative responsibilities to advisors or other persons and may rely upon the information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

3.2 Insurance Carrier. The Insurance Carrier shall be responsible for all matters relating to any Insurance Policy. Not in limitation, but in amplification of the foregoing, the Insurance Carrier shall decide whether it will issue an Insurance Policy on the life of a Participant who has otherwise met all of the Plan's eligibility requirements.

4. Eligibility.

4.1. Eligibility to Participate. In order to become a Participant in the Plan, an individual must meet all of the following requirements:

(a) Be an executive officer of the Company, identified by the Committee as eligible to participate in the Plan;

(b) Complete an application for insurance in the manner set by the Insurance Carrier;

(c) Meet the insurability requirements of the Insurance Carrier; and

(d) Sign all documents, including the Split Dollar Agreement and Assignment, necessary or appropriate in the judgment of the Committee or Insurance Carrier, to carry out the intent of the Plan.

4.2. Alternate Owners. The Plan permits an alternate person or entity to be the owner of the Insurance Policy. The alternate owner must sign all documents, including the Split Dollar Agreement and the Assignment, necessary or appropriate in the judgment of the Committee or Insurance Carrier, to carry out the intent of the Plan. The Participant shall still be the Insured and all the provisions of the Plan shall continue as if the Participant were the owner of the Insurance Policy.

5. Benefits.

5.1 Death During Employment. If a Participant's death occurs while employed by the Company, the Participant's beneficiary shall receive a death benefit equal to two times Base Salary.

5.2 Post-Retirement Death Benefit. A death benefit equal to one times Final Salary shall be payable on behalf of a Participant whose death occurs subsequent to Participant's Retirement.

5.3 Timing of Purchase of Insurance. The right of a Participant to purchase an Insurance Policy under the Plan is granted only upon the initial adoption of the Plan or, for an Employee who meets the eligibility requirements under the Plan after adoption of the Plan, the date of initial eligibility of the Employee under the Plan. The face amount of the Insurance Policy shall be rounded up to the nearest multiple of \$1,000, where necessary. Since participation under the Plan involves the purchase of an Insurance Policy which is subject to the Employee's insurability, the Company does not guarantee that each otherwise eligible Employee will be able to acquire an Insurance Policy pursuant to this Plan.

5.4 Amount of Death Benefit. The death benefit shall be paid from the Insurance Policy. The amount of the death benefit payable to the Participant's beneficiary shall be subject to the Assignment. In the event that the death benefit from the Insurance Policy exceeds the sum of the Company's Corporate Capital Interest and the Participant's death benefit under Sections 5.1 or 5.2, the excess death proceeds shall be paid to the Participant's beneficiary. Participants shall not be eligible for any death benefit under the Boise Cascade Group Life Insurance Plan.

5.5 Beneficiary Designation. The death benefit is payable to the beneficiary or beneficiaries designated by the owner of the Insurance Policy. If no such beneficiary is designated, the beneficiary shall be the person or persons entitled to the death benefit under the terms of the Insurance Policy or applicable state law, whichever governs.

5.6 Payment of Death Benefit. The death benefits shall be paid upon the submission to the Insurance Carrier of the appropriate proof of death and a claim for benefits.

6. Contributions and Funding.

6.1 The responsibility for the payment of the premiums shall be allocated as follows:

(a) Responsibility of Participant.

(1) The "value of the economic benefit" to the Participant as determined by multiplying the amount of life insurance protection to which the Participant is entitled by the lower of the government's one-year term ("PS-58") rates or the Insurance Carrier's currently published term rates. This amount shall be paid by the Company on behalf of the Participant and treated as taxable compensation to the Participant.

(2) Any extra premium which is in excess of 40% of the Basic Annual Premium.

(b) Responsibility of Company.

(1) The difference between the basic Annual Premium and that portion for which the Participant is responsible pursuant to paragraph 6.1(a)(1).

(2) Any extra premium in an amount up to 40% of the basic Annual Premium.

The Company shall, at its option, have the authority to borrow against the Insurance Policy up to an amount not to exceed the Corporate Capital Interest. All interest payments as a result of such borrowing shall be the responsibility of the Company.

6.2 Immediately upon a Potential Change in Control or upon a Change in Control, the Company shall repay Insurance Policy loans, if any, and shall not make any policy loans, as otherwise provided for in paragraph 6.1(b)(2), within a one-year period after a Potential Change in Control, or at any time after a Change in Control, except upon the date specified in paragraph 6.3.

6.3 Termination of Company Funding. Notwithstanding any other provisions in this Plan, and except in the event of or after a Change in Control, the Company shall terminate its participation in the funding of the Insurance Policy on the first of the following events:

(a) The later of (i) the date of the Participant's Retirement or (ii) the date 15 Annual Premiums have been paid by the Company;

(b) The death of a Participant; or

(c) The termination of employment of a Participant other than by death or Retirement.

In the event of a termination described in (a) above, the Company will recover its Corporate Capital Interest by Insurance Policy withdrawal and release its interest in the Insurance Policy. Any such policy loan shall become the sole obligation of the Participant as owner of the Policy. The actual death benefit provided by the Insurance Policy may be greater than or less than the death benefit, described in Section 5, based on the investment performance of the Insurance Policy. In the event the Insurance Policy does not ultimately provide the prescribed death benefit, it is not the intention of the Company to make up any death benefit shortfall.

In the event of a termination described in (b), the Company shall recover its Corporate Capital Interest out of the death proceeds of the Insurance Policy, and the Participant's beneficiary will receive the balance of the death proceeds. In the event that the Insurance Policy does not provide the prescribed death benefit, it is not the intention of the Company to make up any death benefit shortfall.

In the event of a termination described in (c) above, the Participant may recover or purchase all or any portion of the Company's Corporate Capital Interest in the Insurance Policy pursuant to terms established by the Plan Administrator. Any amount purchased shall result in the Company's recovery of its Corporate Capital Interest equal to the amount purchased. Any portions of the Insurance Policy not purchased by the

Participant shall be treated in a manner deemed appropriate by the Plan Administrator, solely in the Plan Administrator's discretion. The provisions of paragraph (c) shall be subject to any applicable severance agreement between the Company and the Participant.

6.4 Company Release and Reassignment. Upon any termination of Company funding, the Company will release Insurance Policy rights granted to it by the Assignment. Thereafter, the Company shall have no involvement whatsoever, direct or indirect, in the Insurance Policy. From such date, the Participant shall be solely responsible for the payment of any future premiums.

7. Disqualification and Reduction, Loss, Forfeiture, or Denial of Benefits. The benefits to be provided under this Plan will not be available to an Employee upon any of the following events:

(a) Except in the event of a Change in Control, the Company may, at any time, amend or terminate the Plan, provided that the Company may not reduce or modify the level of benefits provided to the Participant prior to the amendment or termination without prior consent of the Participant;

(b) In the event the Plan is terminated, whether as to all Participants or as to an individual Participant, a Participant shall be able to preserve and continue the Insurance Policy on his or her life by paying the Company its Corporate Capital Interest. Thereafter, the Participant will be responsible for all future premiums and the Company shall have no involvement whatsoever, direct or indirect, in the Insurance Policy.

(c) After any termination of Company funding, policy benefits may be reduced or terminated with respect to a Participant if not properly funded by the Participant; or

(d) The amount of a Participant's death benefits may vary each year. Not in limitation, but in amplification of the foregoing, the Insurance Carrier's policy interest crediting rate and the amount of the Corporate Capital Interest may vary the death benefits.

8. Deferred Compensation and Benefits Trust. The Company has established the Deferred Compensation and Benefits Trust and shall comply with the terms of the Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Plan (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time, the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to the Plan.

8.1 Trustee's Rights and Obligation. In the event of a Change in Control or a Potential Change in Control, the trustee(s) for the Deferred Compensation and Benefits Trust shall at all times thereafter be obligated for amounts payable in accordance with the Trustee's Payment Schedule. The Company shall notify the Insurance Carrier of a Change in Control or of a Potential Change in Control.

8.2 Plan Funding. In the event of a Change in Control, the calculation of the Funding Amount shall be made without regard to the provisions of paragraph 6.3(c) and the Company shall be required to participate in the funding of each Insurance Policy until the first of the events described in paragraph 6.3(a) or 6.3(b) occurs.

8.3 Termination of Funding. In the event of and after a Change in Control, the Trustee(s) shall be required to continue the funding of the Insurance Policy until the later of (a) the applicable date specified in paragraph 6.3(a) or 6.3(b), whichever is earlier, or (b) the date specified in any severance agreement between the Company and the Participant.

8.4 Amendment and Termination. In the event of and after a Change in Control, the Plan may not be amended or terminated and a Participant shall have the right to rely on the continuation of the Funding of an Insurance Policy as provided in this paragraph 8.

9. Claim Procedure. All death benefits provided under the Plan are to be paid from the Insurance Policies. The Company has adopted the claim procedure established by the Insurance Carrier as a claim procedure for the Plan. The beneficiary of the policy

proceeds must file a claim for benefits with the Insurance Carrier in whatever form the Insurance Carrier may reasonably require. If the Insurance Carrier denies the claim, the beneficiary who wants to have that denial reviewed will have to follow the Insurance Carrier's claims-review procedure. The Company shall have no liability in the event an Insurance Carrier denies a beneficiary's claim for benefits.

10. Miscellaneous.

10.1 Employment Not Guaranteed by the Plan. Neither this Plan nor any action taken hereunder shall be construed as giving a Participant a right to be retained as an executive officer or as an Employee of the Company for any period.

10.2 Taxes. The Company shall deduct from each Participant's compensation all applicable federal or state taxes that may be required by law to be withheld resulting from the Company's funding of the Insurance Policy under the Plan.

10.3 Governing Law, Jurisdiction, and Venue. The Plan shall be construed according to the laws of the state of Idaho to the extent not preempted by federal law. In the event legal action is brought to enforce or interpret the Plan, such legal action may be brought only in federal district court for the District of Idaho in Ada County, Idaho.

10.4 Form of Communication. Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Plan Administrator shall be made in writing and in such form as the Plan Administrator shall prescribe. Such communication shall be effective upon mailing if sent by first-class mail, postage prepaid, and addressed to the Company's office at 1111 West Jefferson Street (83702), P.O. Box 50, Boise, Idaho 83728-0001.

10.5 Amendment and Termination. Except after a Change in Control, the Committee may, at any time, amend or terminate the Plan. At any date of termination of the Plan not preceded by a Change in Control, a Participant shall be entitled to preserve and continue the Insurance Policy in accordance with paragraph 6.3(c).

10.6 Agent for Service of Process. The Company's General Counsel is designated as the agent to receive service of legal process on behalf of the Plan.

11. Statement of ERISA Rights. Each Participant in the Plan is entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Participants shall be entitled to:

(a) Examine, without charge, all Plan documents at the Company's headquarters in Boise, Idaho.

(b) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

(c) File suit in a federal court if any materials requested are not received within 30 days of the Participant's request unless the materials were not sent because of matters beyond the control of the Plan Administrator. The court may require the Plan Administrator to pay up to \$100 for each day's delay until the materials are received.

In addition to creating rights for Participants, ERISA imposed obligations upon the persons who are responsible for the operation of the Plan. As "fiduciaries," these persons must act solely in the interest of the Participants and they must exercise prudence in the performance of their Plan duties. Fiduciaries who violate ERISA may be removed and required to make good any losses they have caused the Plan. The Company may not fire, discriminate against, or prevent a Participant from obtaining a welfare benefit or exercising his or her rights under ERISA. If a Participant is improperly denied a welfare benefit in full or in part, he or she has a right to file suit in a federal or state court. If Plan fiduciaries are misusing the Plan's money, a Participant has a right to file suit in a federal court or request assistance from the U.S. Department of Labor. If a Participant is successful in the lawsuit, the court may, if it so decides, require the other party to pay his or her legal costs, including attorneys' fees.

If a Participant has any questions about the foregoing, or his or her rights under ERISA, the Participant should contact the Plan Administrator or the nearest area office of the U.S. Labor-Management Service Administration, Department of Labor.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges

	Year Ended December 31				
	1991	1992	1993	1994	1995
	(dollar amounts expressed in thousands)				
Interest costs	\$ 201,006	\$ 191,026	\$ 172,170	\$ 169,170	\$ 154,469
Interest capitalized during the period	6,498	3,972	2,036	1,630	3,549
Interest factor related to noncapitalized leases(1)	5,019	7,150	7,485	9,161	8,600
Total fixed charges	<u>\$ 212,523</u>	<u>\$ 202,148</u>	<u>\$ 181,691</u>	<u>\$ 179,961</u>	<u>\$ 166,618</u>
Income (loss) before income taxes and minority interest	\$(128,140)	\$(252,510)	\$(125,590)	\$ (64,750)	\$ 589,410
Undistributed (earnings) losses of less than 50% owned persons, net of distributions received	(1,865)	(2,119)	(922)	(1,110)	(36,861)
Total fixed charges	212,523	202,148	181,691	179,961	166,618
Less: Interest capitalized	(6,498)	(3,972)	(2,036)	(1,630)	(3,549)
Guarantee of interest on ESOP debt	(24,283)	(23,380)	(22,208)	(20,717)	(19,339)
Total earnings (losses) before fixed charges	<u>\$ 51,737</u>	<u>\$ (79,833)</u>	<u>\$ 30,935</u>	<u>\$ 91,754</u>	<u>\$ 696,279</u>
Ratio of earnings to fixed charges(2)	-	-	-	-	4.18

(1) Interest expense for operating leases with terms of one year or longer is based on an imputed interest rate for each lease.

(2) Earnings before fixed charges were inadequate to cover total fixed charges by \$160,786,000, \$281,981,000, \$150,756,000, and \$88,207,000 for the years ended December 31, 1991, 1992, 1993, and 1994.

Financial Highlights

	1995	1994	1993
Sales	\$5,074,230,000	\$4,140,390,000	\$3,958,300,000
Net income (loss)	\$ 351,860,000	\$ (62,610,000)	\$ (77,140,000)
Net income (loss) per common share			
Primary	\$ 5.93	\$(3.08)	\$(3.17)
Fully diluted	\$ 5.39	\$(3.08)	\$(3.17)
Shareholders' equity per common share	\$28.17	\$21.77	\$25.92
Capital expenditures	\$ 427,497,000	\$ 271,864,000	\$ 221,481,000
Number of employees	17,820	16,618	17,362
Number of common shareholders	21,414	24,808	25,930
Number of shares of common stock outstanding	47,759,946	38,284,186	37,987,529

Financial Review

Results of Operations

1995 Compared With 1994. Boise Cascade reported record net income of \$351.9 million, or \$5.39 per fully diluted share, in 1995. This compares with a net loss of \$62.6 million, or \$3.08 per fully diluted share, in 1994.

Earnings in 1995 included a net gain of approximately \$15.1 million, or 25 cents per fully diluted share. The adjustment resulted primarily from a gain on the sale of our remaining interest in our former Canadian subsidiary, Rainy River Forest Products Inc.; a gain from the initial public offering of a 17% stake in our office products distribution business; and charges for the revaluation of our Vancouver, Washington, pulp and paper mill and other paper-related reserves. The 1994 loss included a net noncash charge of \$27 million, or 71 cents per share, related to Rainy River's sale of a portion of its equity in an initial public offering.

Excluding nonrecurring gains and charges, we earned \$336.8 million, or \$5.14 per share, in 1995, compared with a loss of \$35.6 million, or \$2.37 per share, in 1994.

In 1995, the Company's pretax Economic Value Added (EVA(R)) was a positive \$105 million, an increase of \$668 million over our 1994 EVA.

Sales in 1995 were a record \$5.07 billion, compared with \$4.14 billion in 1994. The increase was due primarily to improving paper prices and to additional sales volume in Boise Cascade Office Products.

The turnaround in 1995 results can be attributed primarily to the recovery in our paper business. From 1991 through 1994, the North American paper industry and Boise Cascade's paper business suffered their worst downturn in postwar history. In 1995, our paper business, which reduced costs and improved its product mix during the downturn, participated in a sharp cyclical recovery -- growth in domestic demand, strengthening industry operating rates, and sharply rising product prices.

Paper and Paper Products. Excluding nonrecurring items, this segment reported record operating income of \$530 million in 1995, compared with a loss of \$38 million in 1994. The improvement was due to rising paper prices and an improved product mix. The average price per ton for all of our grades of pulp and paper was 52% higher in 1995 than in 1994. Segment sales rose 40% to \$2.5 billion.

Unit manufacturing costs rose in 1995, largely because the cost of wood fiber and purchased pulp climbed sharply. However, since we are a net seller of market pulp, we gained more from market pulp sales than we lost in higher purchased pulp costs. Costs also rose because our shift to value-added grades accelerated in 1995. While value-added grades have higher unit costs than commodities, they also have wider profit margins. Overall, the net selling price of our value-added grades in 1995 was \$104 per ton higher than the net selling price of commodities.

Unit sales volume decreased approximately 3% to 2.8 million tons in 1995, because we took approximately 83,000 tons of lack-of-order downtime and built inventory in the second half of the year. The slowdown in demand for paper in the third and

fourth quarters of 1995 appears to be continuing into 1996, and we expect to take further market-related downtime. It is uncertain to what extent or when these market conditions may improve or further deteriorate. It is also uncertain to what extent changes in market conditions may adversely or positively affect the Company's financial performance.

In November 1995, we completed our divestiture of Rainy River Forest Products, which owned our former newsprint mills in Kenora, Ontario, and West Tacoma, Washington, and our former uncoated groundwood paper mill in Fort Frances, Ontario. Overall, Boise Cascade was relieved of debt and received cash and marketable securities with a total value of approximately \$655 million from the divestiture. The divestiture also reduced our position in the newsprint business and allowed us to focus more closely on uncoated and coated business and printing papers.

In October 1995, we announced our intention to form a joint venture with Brazilian pulp and paper company Suzano de Papel e Celulose to improve and expand our Jackson, Alabama, mill complex. The joint-venture partnership is expected to acquire and operate Boise Cascade's Jackson facility, including the pulp and paper mill, timberlands, sawmill, and wastepaper recycling plant. Each company plans to own 50% of the partnership.

The partnership expects to build a 330,000-ton-per-year uncoated free sheet machine. The new machine and related equipment are scheduled to start up in mid-1997. However, the parties have not reached a final agreement, and there is no assurance that the joint venture will be consummated. In any event, we are committed to building the new machine, a \$290 million capital investment.

In 1995, we adopted Financial Accounting Standards Board Statement 121, which establishes accounting rules for the impairment of long-lived assets. Also in 1995, we performed an evaluation of our Vancouver pulp and paper mill, resulting in a decision to reduce production at that facility over time. The paper and paper products segment recorded a pretax charge of \$74.9 million, or 76 cents per fully diluted share, primarily related to the revaluation of the Vancouver facility.

Boise Cascade Office Products (BCOP). Segment operating income was a record \$72 million in 1995, compared with \$42 million in 1994. Dollar sales volume increased 45% to a record \$1.3 billion. Sales grew as a result of acquisitions and increased business at existing facilities. Internal growth was 26% over 1994 levels.

Net operating margins expanded to 5.3% in 1995, compared with 4.6% in 1994. Gross profit as a percentage of sales was 25.5% in both years.

In April 1995, BCOP completed an initial public offering and now trades on the New York Stock Exchange under the symbol BOP. The offering of 5.3 million shares, about 17% of the shares outstanding, was priced at \$25 per share. Boise Cascade continues to hold 81.5% of BCOP.

The initial public offering provided efficient access to financial markets to ensure funding for BCOP's rapid growth strategy and made BCOP's value more visible to investors. In 1995, BCOP completed or announced acquisitions of 13 office products distribution businesses, including businesses in Canada and Great Britain. Annual sales of the businesses announced or acquired were approximately \$516 million at the time of announcement.

Building Products. Operating income was \$89 million in 1995, compared with \$151 million in 1994. Sales declined 5% to \$1.6 billion. Average prices for lumber declined 13% from year-earlier levels, while average plywood prices increased 3%.

The decline in profitability in the wood products business occurred because the demand for wood products eased; the supply was ample, as lumber imports increased and new industry panel supply came on line; and the cost of logs to our converting facilities continued to climb.

In 1995, we increased the annual capacity of our White City, Oregon, engineered wood products facility by 50% to 6 million cubic feet. We also began construction of a facility near Alexandria, Louisiana, which will add 4.4 million cubic feet of annual capacity by mid-1996.

Boise Cascade also formed a joint venture in 1995 to build an oriented strand board (OSB) plant in Barwick, Ontario, Canada. Operating as Voyageur Panel, the plant will have the capacity to produce 400 million square feet of OSB panels annually. Boise Cascade, which initially holds 47% of the equity, will build and operate the plant and market the product. We expect the plant to start up in 1997.

1994 Compared With 1993. Boise Cascade reported a net loss of \$62.6 million, or \$3.08 per fully diluted common share, in 1994. This compares with a net loss of \$77.1 million, or \$3.17 per fully diluted common share, in 1993.

The 1994 loss included a net noncash charge of \$27 million, or 71 cents per fully diluted share, related to the sale by Rainy River Forest Products Inc. of a portion of its equity in an initial public offering. The 1993 loss included pretax gains on asset sales totaling \$13.9 million, or 23 cents per share, and a net charge of \$2.1 million, or 6 cents per share, from changes in statutory tax rates in the United States and Canada.

Excluding nonrecurring gains and charges, the Company lost \$35.6 million, or \$2.37 per share, in 1994, compared with a loss of \$83.6 million, or \$3.34 per share, in 1993.

Sales in 1994, excluding sales by Rainy River, were \$4.14 billion. This compares with \$3.96 billion in 1993, including sales of \$309 million by Rainy River operations. The increase was due primarily to additional sales in office products distribution and improving paper prices.

The 1994 loss was due principally to continued weak pricing in our paper business. In the second half of 1994, the cycle in the paper business turned sharply positive. As European economies improved, supply and demand came into better balance, slowing exports of European paper to the United States. Domestic demand continued to grow, industry operating rates strengthened, and product prices began to rise. Our paper segment became profitable in the third quarter, and the Company overall became profitable in the fourth quarter.

Paper and Paper Products. This segment reported an operating loss, excluding Rainy River's results, of \$38 million in 1994, compared with a 1993 loss of \$138 million, which included a loss of approximately \$40 million from operations making up Rainy River. The improved results were due to rising paper prices, increased unit sales volume, and an improved product mix. Segment sales on a comparable-facility basis rose 11% to \$1.8 billion.

Average prices for uncoated free sheet, newsprint, containerboard, and market pulp rose from 1993 levels. Prices for coated papers rose in the second half of 1994, but average prices for the full year were flat with 1993 prices. The average price per ton for all of our pulp and paper sold in 1994 was up 6% over the average 1993 price but was still 26% below the peak reached in 1989.

The Company's cost-reduction efforts helped offset weak product prices during the early 1990s, positioning our paper business for a sharp recovery. From 1990 to 1993, capital investment and internal process improvements reduced unit manufacturing cash costs about 11%, or nearly \$200 million below what they otherwise would have been. On a comparable-facility basis, unit manufacturing costs in 1994 were roughly the same as in 1993.

Unit sales volume on a comparable-facility basis rose 5% in 1994 to 2.9 million tons, as improved machine efficiency increased production from existing equipment and market-related downtime declined.

In October 1994, Rainy River sold a portion of its equity and certain debt securities to the public. The equity securities were sold at a premium to Rainy River's net book value. However, after translation to U.S. dollars, the recognition of certain transaction costs, and a noncash charge for U.S. taxes on undistributed Canadian earnings, Boise Cascade recorded a net charge of \$27 million.

After the initial public offering, Boise Cascade owned a 60% equity interest and 49% voting interest in Rainy River. The 1994 Rainy River transaction allowed Boise Cascade to reduce debt by approximately \$330 million. Rainy River was also then able to fund its own capital requirements.

Boise Cascade Office Products (BCOP). Operating income was \$42 million in 1994, compared with \$36 million in 1993. Dollar sales volume increased 33% to \$909 million, as sales were added from new and recently acquired operations and increased business at existing facilities. Sales volume rose 15% on a same-location basis.

In the second quarter of 1994, BCOP completed the acquisition of the direct-marketing business of The Reliable Corporation. During 1994, BCOP also acquired office products businesses in Atlanta, Georgia, and Jacksonville, Florida, and opened a new facility in Denver, Colorado.

Building Products. Operating income was \$151 million in 1994, compared with a record \$159 million in 1993. Sales increased 8% to \$1.7 billion. Average prices for plywood rose 4% in 1994 from year-earlier levels, while lumber prices remained flat. Prices

remained at high levels by historical standards because of continued constraints on the supply of timber available for commercial harvest in the Pacific Northwest. The cost of logs delivered to our wood products operations, up 5% over 1993 costs, increased for the same reason. The 1994 increase was more moderate than in recent years, though, as logs from private, nonindustrial lands mitigated near-term timber supply issues.

Financial Condition

In 1995, operations provided \$592 million in cash, compared with \$216 million in 1994. The working capital ratio was 1.71:1 at the end of 1995, compared with 1.40:1 at the end of 1994.

Our tax provision rate for 1995, before any unusual items, was 38%, compared with a tax benefit rate of 34.5% in 1994. The rate change was due primarily to increased income from our U.S. operations. Net interest expense in 1995 was \$135 million, compared with \$148 million in 1994. The Company's debt is predominantly fixed-rate. Consequently, when market interest rates change, we experience only modest changes in interest expense.

In 1995, the Company's total debt declined \$354 million to \$1.62 billion at year-end, compared with \$1.97 billion at the end of 1994. On December 31, 1995, our long-term debt-to-equity ratio was .93:1, compared with 1.4:1 at the end of 1994. Our debt and debt-to-equity ratio include the guarantee by the Company of the remaining \$214 million of debt incurred by the trustee of our leveraged Employee Stock Ownership Plan (ESOP). While that guarantee has a negative impact on our debt-to-equity ratio, it has virtually no effect on our cash coverage ratios or on other measures of our financial strength.

In July 1995, the Company redeemed \$100 million of 9.625% notes, and in September 1995, we retired \$76 million of 7% convertible subordinated debentures. Also during the year, we retired \$85 million of debt through open-market purchases.

In October 1995, Boise Cascade returned fully to an investment-grade credit rating. Standard & Poor's Corporation raised our senior long-term rating from BB+ to BBB- with a stable outlook. Moody's Investors Service has rated our senior long-term debt at Baa3 with a stable outlook since July 1993.

In 1995, we amended our revolving credit agreement with a group of banks to reduce the aggregate amount from \$650 million to \$600 million and to extend the termination date from June 30, 1997, to June 30, 2000. As of December 31, 1995, borrowings under the agreement totaled \$185 million. At the time of its expiration in June 2000, any amount outstanding will be due and payable.

The agreement requires Boise Cascade to maintain a minimum net worth, a minimum interest coverage ratio, and a ceiling ratio of debt to net worth. Under this agreement, payment of dividends is dependent on the existence and amount of net worth in excess of the defined minimum. The Company's net worth at December 31, 1995, exceeded the defined minimum amount by \$213 million.

At December 31, 1995, the Company had \$400.4 million of shelf capacity registered with the Securities and Exchange Commission for additional debt securities. In January 1996, the Company sold \$125 million of 7.35% debentures due in 2016.

Additional information about our credit agreement and debt is in Note 3 accompanying the financial statements.

The Company currently has limited exposure to foreign currency exchange rate risks. When appropriate, the Company may enter into foreign exchange contracts to further limit any risk.

On January 15, 1995, depositary shares of our conversion preferred stock, Series E, were converted into 8.6 million shares of Boise Cascade common stock.

In October 1995, we announced our plan to purchase up to 4.3 million shares of our common stock or common stock equivalents over the course of 12 to 18 months, subject to market price, cash flow, and other Company considerations. Completion of the 4.3-million-share buyback, combined with the convertible debenture redemption in September 1995, would reduce our fully diluted shares by approximately 10%. In 1995, we purchased about 444,000 of our common shares under this authorization.

Capital Investment

Capital investment in 1995 was \$428 million, including \$80 million for acquisitions, compared with a total capital investment of \$272 million in 1994. The 1995 amount includes acquisitions made by BCOP through the issuance of common stock. Capital investment in 1996 is expected to be approximately \$400 million, excluding acquisitions, and will be allocated to cost-saving, modernization, expansion, replacement, maintenance,

environmental, and safety projects.

Acquisition expenditures are expected to occur primarily in Boise Cascade Office Products. BCOP has announced plans to acquire Grand & Toy Ltd., a national office products distributor in Canada, for about US\$104 million, as well as two other businesses in the United States. The funds for these acquisitions derive from BCOP's sale of public securities in April 1995, operating cash flow, issuance of additional securities, and borrowings under its \$225 million revolving credit facility.

Dividends

In 1995, Boise Cascade's quarterly cash dividend was 15 cents per common share, the same as in 1994. The quarterly dividend was 58.75 cents on each depository share of the Series F cumulative preferred stock and 39.5 cents on each depository share of the Series G conversion preferred stock.

Timber Supply

In recent years, the amount of federal government timber available for commercial harvest in the Northwest has declined due to extreme preservationist pressure, and we cannot accurately predict future log supply. In 1995, we closed a small sawmill in Council, Idaho, due in part to limited log supply. Additional curtailments or closures of wood products manufacturing facilities are possible.

With less federal timber available, Boise Cascade is fortunate to have an important share of our raw material needs met by our own Northwest timberlands -- some 1.4 million acres in Washington, Oregon, and Idaho. In addition, our Northwest pulp and paper mills receive approximately 85% of their softwood chip supply either directly from or through trades with our wood products and whole-log chipping operations.

We have also taken steps to reduce our need for outside softwood chip purchases. We converted one of the two pulp lines at our St. Helens, Oregon, mill to hardwood. We helped develop, with Ponderosa Fibres of America, a wastepaper recycling plant that will be located adjacent to our Wallula, Washington, paper mill and will start up in mid-1997. And in late 1996, we will begin using hardwood chips from the fast-growing hybrid cottonwood tree farm near our Wallula mill.

Environmental Issues

Boise Cascade invests substantial capital to comply with federal, state, and local environmental laws and regulations. During 1995, expenditures for our ongoing pollution prevention program amounted to \$17 million. We expect to spend approximately \$32 million in 1996 for this purpose. Failure to comply with applicable pollution control standards could result in interruption or suspension of operations at the affected facilities or could require additional expenditures. We expect expenditures for ongoing pollution prevention to enable the Company to continue to meet applicable environmental standards.

The Environmental Protection Agency is expected to issue proposed rules in 1996 that will further regulate air and water emissions from pulp and paper mills. These rules may, among other things, set standards for color, chemical oxygen demand, biological oxygen demand, and discharge of chlorinated organics. Although the proposed rules have not been issued, Boise Cascade estimates the cost for meeting the anticipated standards, utilizing current technology, could be in the range of \$200 million to \$300 million over the next several years. The amount and timing of the Company's actual expenditures will depend on the standards and implementation schedule specified in the final rules.

Boise Cascade has made changes in our pulp-bleaching processes to reduce our use of elemental chlorine. Our printing and writing paper mills have substituted chlorine dioxide for at least 50% of the elemental chlorine previously used to bleach pulp. Chlorine dioxide is a chemical with a name similar to elemental chlorine but with very different chemical and physical properties. Over time, we will continue to reduce elemental chlorine in our pulp-bleaching processes.

As of December 31, 1995, Boise Cascade had open issues with respect to 38 sites where we have been notified that the Company is a "potentially responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or under similar federal and state laws, or we have received a demand or claim by a private party regarding environmental contamination issues. In most cases, Boise Cascade is one of many potentially responsible parties, and our alleged contribution to these sites has been relatively minor. For those sites where a range of potential liability has been determined, we have established appropriate reserves. We believe we have minimal or no responsibility with regard to several other sites.

With respect to all outstanding sites, we cannot predict with

certainty the total response and remedial costs, our share of the total costs, what contributions will be available from other parties, the time necessary to complete the cleanups, or the availability of reimbursement from insurance coverage. However, based on our investigations, our experience in cleaning up hazardous substances, the fact that expenditures will be incurred over extended periods of time in many cases, and the number of solvent potentially responsible parties, the Company does not believe that the known actual and potential response costs will, in the aggregate, have a material adverse effect on our financial condition or the results of operations.

1995 Capital Investment by Business

	Expansion	Quality/ Efficiency(1) (expressed in millions)	Timber and Timberlands (expressed in millions)	Replacement, Environmental, and Other	Total
Paper and paper products	\$ 84	\$ 71	\$ -	\$ 88	\$ 243
Office products(2)	81	8	-	14	103
Building products	38	14	-	17	69
Timber and timberlands	-	-	6	-	6
Other	2	-	-	5	7
Total	<u>\$ 205</u>	<u>\$ 93</u>	<u>\$ 6</u>	<u>\$ 124</u>	<u>\$ 428</u>

(1)Quality and efficiency projects include quality improvements, modernization, energy, and cost-saving projects.

(2)Capital expenditures include acquisitions made by BCOP through the issuance of common stock.

BOISE CASCADE CORPORATION AND SUBSIDIARIES

BALANCE SHEETS

Assets	December 31	
	1995	1994
	(expressed in thousands)	
Current		
Cash and cash items (Note 1)	\$ 36,876	\$ 22,447
Short-term investments at cost, which approximates market (Note 1)	14,593	7,007
	<u>51,469</u>	<u>29,454</u>
Receivables, less allowances of \$3,577,000 and \$1,987,000	457,608	405,661
Inventories (Note 1)	568,905	423,589
Deferred income tax benefits (Note 2)	82,744	42,487
Other (Note 9)	152,442	17,073
	<u>1,313,168</u>	<u>918,264</u>
Property (Note 1)		
Property and equipment		
Land and land improvements	39,482	37,775
Buildings and improvements	459,897	439,936
Machinery and equipment	4,271,306	4,078,302
	<u>4,770,685</u>	<u>4,556,013</u>
Accumulated depreciation	(2,166,487)	(2,062,106)
	<u>2,604,198</u>	<u>2,493,907</u>
Timber, timberlands, and timber deposits	383,394	397,721
	<u>2,987,592</u>	<u>2,891,628</u>
Investments in equity affiliates (Note 9)	25,803	204,498
Other assets (Note 1)	329,623	279,687
Total assets	<u>\$4,656,186</u>	<u>\$4,294,077</u>

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES

BALANCE SHEETS

Liabilities and Shareholders' Equity	December 31	
	1995	1994
	(expressed in thousands)	
Current		
Notes payable	\$ 17,000	\$ 56,000
Current portion of long-term debt (Note 3)	20,778	58,534
Income taxes payable	26,328	-
Accounts payable	379,523	306,848
Accrued liabilities		
Compensation and benefits	159,514	107,866
Interest payable	27,542	36,043
Other	139,222	92,552
	<u>769,907</u>	<u>657,843</u>
Debt (Note 3 and 9)		
Long-term debt, less current portion	1,364,835	1,625,148
Guarantee of ESOP debt	213,934	230,956
	<u>1,578,769</u>	<u>1,856,104</u>
Other		
Deferred income taxes (Note 2)	302,030	137,260
Other long-term liabilities	243,259	278,012
	<u>545,289</u>	<u>415,272</u>
Minority interest (Note 6)	67,783	-
Commitments and contingent liabilities (Notes 1, 2, 5, 6, 8, and 9)		
Shareholders' equity (Note 7)		
Preferred stock - no par value; 10,000,000 shares authorized; Series D ESOP: \$.01 stated value; 6,117,774 and 6,294,891 shares outstanding	275,300	283,270
Deferred ESOP benefit	(213,934)	(230,956)
Series E: \$.01 stated value; 862,500 shares outstanding in 1994	-	191,466
Series F: \$.01 stated value; 115,000 shares outstanding in each period	111,043	111,043
Series G: \$.01 stated value; 862,500 shares outstanding in each period	176,404	176,404
Common stock - \$2.50 par value; 200,000,000 shares authorized; 47,759,946 and 38,284,186 shares outstanding	119,400	95,710
Additional paid-in capital	205,107	-
Retained earnings (Notes 1 and 9)	1,021,118	737,921
Total shareholders' equity	<u>1,694,438</u>	<u>1,364,858</u>
Total liabilities and shareholders' equity	<u>\$4,656,186</u>	<u>\$4,294,077</u>
Shareholders' equity per common share	\$28.17	\$21.77

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES

STATEMENTS OF INCOME (LOSS)

	Year Ended December 31		
	1995	1994	1993
	(expressed in thousands)		
Revenues			
Sales	\$5,074,230	\$4,140,390	\$3,958,300
Other income (expense), net (Note 1)	(16,560)	1,360	18,870
	<u>5,057,670</u>	<u>4,141,750</u>	<u>3,977,170</u>
Costs and expenses			
Materials, labor, and other operating expenses	3,764,960	3,453,730	3,411,500
Depreciation and cost of company timber harvested	240,920	236,430	267,710
Selling and administrative expenses	436,260	336,970	283,450
	<u>4,442,140</u>	<u>4,027,130</u>	<u>3,962,660</u>
Equity in net income (loss) of affiliates (Note 9)	40,070	(22,930)	5,270
Income from operations	<u>655,600</u>	<u>91,690</u>	<u>19,780</u>
Interest expense	(135,130)	(147,800)	(148,310)
Interest income	2,970	1,690	1,330
Foreign exchange gain (loss)	(300)	(130)	1,610
Gain (loss) on subsidiary's issuance of stock (Notes 6 and 9)	66,270	(10,200)	-
	<u>(66,190)</u>	<u>(156,440)</u>	<u>(145,370)</u>
Income (loss) before income taxes and minority interest	589,410	(64,750)	(125,590)
Income tax provision (benefit) (Note 2)	231,290	(2,140)	(48,450)
Income (loss) before minority interest	<u>358,120</u>	<u>(62,610)</u>	<u>(77,140)</u>
Minority interest, net of income tax	(6,260)	-	-
Net income (loss)	<u>\$ 351,860</u>	<u>\$ (62,160)</u>	<u>\$ (77,140)</u>
Net income (loss) per common share (Note 1)			
Primary	\$ 5.93	\$(3.08)	\$(3.17)
Fully diluted	\$ 5.39	\$(3.08)	\$(3.17)

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

	Year Ended December 31		
	1995	1994	1993
	(expressed in thousands)		
Cash provided by (used for) operations			
Net income (loss)	\$ 351,860	\$ (62,610)	\$ (77,140)
Items in income (loss) not using (providing) cash			
Equity in net (income) loss of affiliates	(40,070)	15,040	(5,270)
Depreciation and cost of company timber harvested	240,920	236,430	267,710
Deferred income tax provision (benefit)	126,096	(2,174)	(46,243)
Minority interest, net of income tax	6,260	-	-
Write-down of assets	78,491	-	-
Amortization and other	31,997	17,836	16,817
Gain on sales of assets (Note 1)	(68,900)	-	(8,300)
(Gain) loss on subsidiaries' issuance of stock (Notes 6 and 9)	(66,270)	10,200	-
Receivables	(13,813)	(69,567)	(116)
Inventories	(135,334)	6,139	(30,679)
Accounts payable and accrued liabilities	60,286	55,329	15,696
Current and deferred income taxes	25,239	9,036	13,137
Other	(4,440)	94	(14,391)
	<hr/>	<hr/>	<hr/>
Cash provided by operations	592,322	215,753	131,221
	<hr/>	<hr/>	<hr/>
Cash provided by (used for) investment			
Expenditures for property and equipment	(341,486)	(187,040)	(216,818)
Expenditures for timber and timberlands	(5,688)	(5,174)	(4,663)
Investments in equity affiliates, net	(3,894)	(25,347)	896
Purchases of facilities (Note 6)	(61,638)	(78,454)	-
Sales of assets (Note 1)	183,482	171,383	23,992
Other	11,312	(50,428)	7,971
	<hr/>	<hr/>	<hr/>
Cash used for investment	(217,912)	(175,060)	(188,622)
	<hr/>	<hr/>	<hr/>
Cash provided by (used for) financing			
Cash dividends paid			
Common stock	(27,125)	(22,844)	(22,772)
Preferred stock	(48,731)	(60,871)	(44,731)
	<hr/>	<hr/>	<hr/>
Notes payable	(75,856)	(83,715)	(67,503)
Additions to long-term debt (Note 9)	(39,000)	25,000	27,000
Payments of long-term debt (Note 3)	10,140	138,842	83,807
Subsidiary's issuance of stock (Note 6)	(381,797)	(115,569)	(269,180)
Issuance of preferred stock	123,076	-	-
Other	-	-	287,442
Other	11,042	1,774	(2,068)
	<hr/>	<hr/>	<hr/>
Cash provided by (used for) financing	(352,395)	(33,668)	59,498
	<hr/>	<hr/>	<hr/>
Increase in cash and short-term investments	22,015	7,025	2,097
Balance at beginning of the year	29,454	22,429	20,332
	<hr/>	<hr/>	<hr/>
Balance at end of the year	\$ 51,469	\$ 29,454	\$ 22,429

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES

STATEMENTS OF SHAREHOLDERS' EQUITY

For the Years Ended December 31, 1993, 1994, and 1995

Common Shares Outstanding	Notes 1, 3, 5, and 7	Total Shareholders' Equity	Preferred Stock	Deferred ESOP Benefit	Common Stock	Additional Paid-in Capital	Retained Earnings
(expressed in thousands)							
37,940,312	Balance at December 31, 1992	\$1,357,596	\$482,855	\$(261,695)	\$ 94,851	\$	\$1,041,585
	Net loss	(77,140)					(77,140)
	Cash dividends declared						
	Common stock	(22,813)					(22,813)
	Preferred stock	(50,841)					(50,841)
47,217	Issuance of preferred stock	287,442	287,442				
	Other	10,280	(3,607)	14,839	118		(1,070)
37,987,529	Balance at December 31, 1993	1,504,524	766,690	(246,856)	94,969		889,721
	Net loss	(62,610)					(62,610)
	Cash dividends declared						
	Common stock	(22,885)					(22,885)
	Preferred stock	(60,872)					(60,872)
296,657	Other	6,701	(4,507)	15,900	741		(5,433)
38,284,186	Balance at December 31, 1994	1,364,858	762,183	(230,956)	95,710		737,921
	Net income	351,860					351,860
	Cash dividends declared						
	Common stock	(28,549)					(28,549)
	Preferred stock	(44,872)					(44,872)
8,625,000	Conversion of Series E Preferred Stock		(191,466)		21,563	169,903	
1,264,503	Stock Options Exercised	38,018			3,161	34,857	
(448,396)	Treasury stock cancellations	(23,972)	(7,970)		(1,121)	(2,036)	(12,845)
34,653	Other	37,095		17,022	87	2,383	17,603
47,759,946	Balance at December 31, 1995	\$1,694,438	\$562,747	\$(213,934)	\$119,400	\$205,107	\$1,021,118

The accompanying notes are an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION AND USE OF ESTIMATES. The financial statements include the accounts of the Company and all subsidiaries after elimination of intercompany balances and transactions. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

OTHER INCOME. "Other income (expense), net" on the Statements of Income (Loss) includes gains and losses on the sale and disposition of property and other miscellaneous income and expense items. In 1995, the Company recorded a pretax gain of \$68,900,000, or \$.70 per fully diluted common share for the sale of its remaining interest in Rainy River Forest Products, Inc. (Rainy River) (see Note 9). Also in 1995, the Company recorded a pretax charge of \$19,000,000, or \$.19 per fully diluted common share, for the establishment of reserves for the write-down of certain assets in the Company's paper and paper products segment to their net realizable value. In 1995, the Financial Accounting Standards Board (FASB) issued Statement 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." The Company adopted the statement in the fourth quarter of 1995. As a result of an evaluation of its paper strategies, a decision was made to reconfigure the Vancouver, Washington, pulp and paper mill and reduce, over time, its production. In the fourth quarter of 1995, the Company's paper and paper products segment recorded a pretax charge of \$74,900,000, or \$.76 per fully diluted share. Most of this charge is related to the write-down of certain of the mill's assets under the provisions of the new accounting standard. Results for 1993 include a net pretax gain of \$13,944,000, or \$.23 per fully diluted common share, which was primarily attributable to sales of assets. A 1993 adoption of FASB requirements to accrue certain severance, disability, and other benefits provided to former or inactive employees did not have a material impact on reported results.

FOREIGN CURRENCY TRANSLATION. The 1994 foreign exchange loss reported on the Statement of Income (Loss) is due primarily to forward contracts to purchase Canadian dollars. Gains or losses in the market value of the forward contracts were recorded as they were incurred during the year. The forward contracts were terminated in September 1994. Foreign exchange gains and losses in 1994, arising primarily from translation of the Company's Canadian subsidiaries' net liabilities prior to the Rainy River transactions (see Note 9), are included in "Equity in net income (loss) of affiliates" on the Company's Income Statement. Subsequent to the transactions, the functional currency was changed from the U.S. dollar to the Canadian dollar, and the cumulative foreign currency translation adjustment at December 31, 1994, of \$14,704,000, net of deferred income taxes, was included as a reduction to "Retained earnings" on the Balance Sheet due to its relative insignificance. The foreign currency translation related to the Company's investment in Stone-Consolidated Corporation is included in the mark-to-market adjustment recorded as a component of "Retained earnings" on the Company's Balance Sheet (see Note 9). The 1993 foreign exchange gain on the Statements of Income (Loss) arose primarily from translation of the Company's Canadian subsidiaries' net liabilities, partially offset by gains or losses in the market value of the forward contracts.

NET INCOME (LOSS) PER COMMON SHARE. Net income (loss) per common share was determined by dividing net income (loss), as adjusted, by applicable shares outstanding. For 1994 and 1993, the computation of fully diluted net loss per share was antidilutive; therefore, the amounts reported for primary and fully diluted loss were the same.

	Year Ended December 31		
	1995	1994	1993
	(expressed in thousands)		
Net income (loss) as reported	\$ 351,860	\$ (62,610)	\$ (77,140)
Preferred dividends	(25,550)	(54,586)	(43,076)
Primary income (loss)	<u>326,310</u>	<u>(117,196)</u>	<u>(120,216)</u>
Assumed conversions:			
Preferred dividends eliminated	14,740	43,776	33,407
Interest on 7% debentures eliminated	2,501	3,439	3,644
Supplemental ESOP contribution	(12,599)	(12,573)	(12,381)
Fully diluted income (loss)	<u>\$ 330,952</u>	<u>\$ (82,554)</u>	<u>\$ (95,546)</u>
Average number of common shares			
Primary	55,028	38,110	37,958
Fully diluted	61,351	61,407	55,825

Primary income excludes, and the loss includes, the aggregate amount of dividends on the Company's preferred stock. The dividend attributable to the Company's Series D convertible preferred stock held by the Company's ESOP (employee stock ownership plan) is net of a tax benefit. To determine the fully diluted income (loss), dividends on convertible preferred stock and interest, net of any applicable taxes, have been added back to primary income (loss) to reflect assumed conversions. The fully diluted income was reduced by, and the loss was increased by, the after-tax amount of additional contributions that the Company would be required to make to its ESOP if the Series D ESOP preferred shares were converted to common stock.

For the years ended December 31, 1995, 1994, and 1993, primary average shares included common shares outstanding, and if dilutive, common stock equivalents attributable to stock options, Series E conversion preferred stock prior to converting to shares of the Company's common stock on January 15, 1995, and Series G conversion preferred stock. Excluded common equivalent shares were 16,391,000 at December 31, 1994, compared with 10,840,000 at December 31, 1993. In addition to common and common equivalent shares, fully diluted average shares include common shares that would be issuable upon conversion of the Company's other convertible securities.

On September 27, 1995, the Company redeemed its 7% convertible subordinated debentures for cash and by issuing shares of common stock. The redemption resulted in an approximately 1,698,000 share reduction in fully diluted shares. Had the conversion occurred on January 1, 1995, the reported fully diluted net income per share would have increased \$.08 to \$5.47 for the year ended December 31, 1995.

On January 15, 1995, the Company's Series E preferred stock converted to 8,625,000 shares of common stock (see Note 7). Had the conversion occurred on January 1, 1994, the reported primary and fully diluted net loss per common share for the year ended December 31, 1994, would have decreased \$.90 to \$2.18.

CASH AND SHORT-TERM INVESTMENTS. Short-term investments consist of investments that had a maturity of three months or less at the date of purchase. At December 31, 1995, \$10,641,000 of cash, short-term investments, and certain receivables of a wholly owned insurance subsidiary was committed for use in maintaining statutory liquidity requirements of that subsidiary.

INVENTORY VALUATION. The Company uses the last-in, first-out (LIFO) method of inventory valuation for raw materials and finished goods inventories at substantially all of its domestic wood products and paper manufacturing facilities. All other inventories are valued at the lower of cost or market, with cost based on the average or first-in, first-out (FIFO) valuation method. Manufactured inventories include costs for materials, labor, and factory overhead.

Inventories include the following:

	December 31	
	1995	1994
	(expressed in thousands)	
Finished goods and work in process	\$ 394,163	\$ 256,732
Logs	116,959	107,095
Other raw materials and supplies	175,877	147,211
LIFO reserve	(118,094)	(87,449)
	<u>\$ 568,905</u>	<u>\$ 423,589</u>

PROPERTY. Property and equipment are recorded at cost. Cost includes expenditures for major improvements and replacements and the net amount of interest cost associated with significant capital additions. Capitalized interest was \$1,884,000 in 1995, \$1,630,000 in 1994, and \$1,118,000 in 1993. Substantially all of the Company's paper and wood products manufacturing facilities determine depreciation by the units-of-production method, and other operations use the straight-line method. Gains and losses from sales and

retirements are included in income as they occur except at certain pulp and paper mills that use composite depreciation methods. At those facilities, gains and losses are included in accumulated depreciation. Estimated service lives of principal items of property and equipment range from 3 to 40 years.

Cost of company timber harvested and amortization of logging roads are determined on the basis of the annual amount of timber cut in relation to the total amount of recoverable timber. Timber and timberlands are stated at cost, less the accumulated total of timber previously harvested.

A portion of the Company's wood requirements are acquired from public and private sources. Except for deposits required pursuant to wood supply contracts, no amounts are recorded until such time as the Company becomes liable for the timber. At December 31, 1995, based on average prices at the time, the unrecorded amount of those contracts was estimated to be approximately \$174,000,000.

START-UP COSTS. Preoperating costs incurred during the construction and start-up of major expansions or new manufacturing facilities are capitalized. The remaining unamortized balance is being amortized over a five-year period. The unamortized balance of start-up costs, included in "Other assets" on the Balance Sheets, was \$9,933,000 at December 31, 1995, and \$16,237,000 at December 31, 1994.

GOODWILL. Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible assets of businesses acquired. Goodwill is amortized on a straight-line basis generally over 40 years. Annually, the Company reviews the recoverability of goodwill. The measurement of possible impairment is based primarily on the ability to recover the balance of the goodwill from expected future operating cash flows on an undiscounted basis. In management's opinion, no such impairment exists at December 31, 1995. The unamortized balance of goodwill included in "Other assets" on the Balance Sheets at December 31, 1995 and 1994 was \$114,767,000 and \$55,041,000.

ENVIRONMENTAL REMEDIATION AND COMPLIANCE. Generally, environmental expenditures resulting in additions to property, plant, and equipment that increase useful lives are capitalized, while other environmental expenditures are charged to expense. Liabilities are recorded when assessments and/or remedial efforts are probable and the cost can be reasonably estimated. For further information, see "Financial Review - Environmental Issues," which information is incorporated herein by this reference.

RESEARCH AND DEVELOPMENT COSTS. Research and development costs are expensed as incurred. During 1995, research and development expenses were \$10,756,000, compared with \$11,461,000 in 1994 and \$11,496,000 in 1993.

SUBSIDIARIES' ISSUANCE OF STOCK. Changes in the Company's proportionate interest in its subsidiaries from the subsidiaries' issuance of stock are recorded in income at the time the stock is issued by the subsidiaries.

FINANCIAL INSTRUMENTS. At December 31, 1995, the estimated current market value of the Company's debt, based on then current interest rates for similar obligations with like maturities, was approximately \$140,000,000 greater than the amount of debt reported on the Balance Sheet. At December 31, 1995, the Company had two interest rate swaps related to tax-exempt bonds (see Note 3). At December 31, 1995, the liquidation value of the swaps to the Company, based on interest rates available for instruments with similar characteristics, would have been approximately \$277,000. The estimated fair values of the Company's other financial instruments, cash and short-term investments, and notes payable are the same as their carrying values. In the opinion of management, the Company does not have any significant concentration of credit risks. Concentration of credit risks with respect to trade receivables is limited due to the wide variety of customers and channels to and through which the Company's products are sold, as well as their dispersion across many geographic areas. The Company has only limited involvement with derivative financial instruments and does not use them for trading purposes. Such financial instruments as interest rate swaps and forward exchange contracts are used periodically to manage well defined risks.

2. INCOME TAXES

Effective as of January 1, 1993, the Company adopted Financial Accounting Standards Board requirements that govern the way deferred taxes are calculated and reported. The one-time adjustment made to record the initial adoption of the standard had no effect on the Company's 1993 net loss. The impact of changes in statutory tax rates on deferred taxes subsequent to the initial adoption is discussed below. Financial statements for prior periods were not restated.

The income tax provision (benefit) shown on the Statements of Income (Loss) includes the following:

	Year Ended December 31		
	1995	1994	1993

(expressed in thousands)

Current income tax provision (benefit)	\$ 105,194	\$ 34	\$ (2,207)
Deferred income tax provision (benefit)	126,096	(2,174)	(46,243)
Total income tax provision (benefit)	<u>\$ 231,290</u>	<u>\$ (2,140)</u>	<u>\$ (48,450)</u>

During 1995, the Company's cash payments for income taxes, net of refunds received were \$73,609,000, compared with net refunds of \$7,269,000 in 1994 and \$48,025,000 in 1993.

A reconciliation of the statutory U.S. federal tax provision (benefit) and the Company's reported tax provision (benefit) is as follows:

	Year Ended December 31		
	1995	1994	1993
	(expressed in thousands)		
Statutory tax provision (benefit)	\$ 206,293	\$ (22,661)	\$ (43,957)
changes resulting from:			
State taxes	19,615	(1,702)	(4,158)
Foreign tax provision (benefit) different than theoretical rate	588	4,108	(1,109)
Provision for undistributed earnings	-	20,200	-
Provision for difference in book and tax bases of Rainy River stock	32,500	-	-
Effect of nontaxable gain on BCOP's issuance of stock	(27,279)	-	-
Other, net	(427)	(2,085)	(1,326)
Effective tax provision (benefit)	<u>231,290</u>	<u>(2,140)</u>	<u>(50,550)</u>
Tax rate adjustments to net deferred tax liabilities	-	-	2,100
Reported tax provision (benefit)	<u>\$ 231,290</u>	<u>\$ (2,140)</u>	<u>\$ (48,450)</u>

During 1993, the U.S. federal government increased its statutory rate from 34% to 35%. The increase in net deferred tax liabilities due to that increase was partially offset by decreases due to reductions in Canadian tax rates. The Canadian federal rate was decreased from 23.8% to 22.8%.

The components of the net deferred tax liability on the Balance Sheets are as follows:

	December			
	1995		1994	
	(expressed in thousands)			
	Assets	Liabilities	Assets	Liabilities
Operating loss carryover	\$ -	\$ -	\$ 200,535	\$ -
Employee benefits	99,022	30,481	106,146	17,781
Property and equipment and timber and timberlands	75,224	535,176	81,623	531,384
Alternative minimum tax	161,027	-	79,615	-
Tax credit carryovers	22,919	-	35,663	-
Reserves	26,933	2,716	14,644	2,031
Inventories	10,411	-	10,069	215
State income taxes	13,662	36,803	-	33,398
Deferred charges	558	6,289	174	7,931
Differences in bases of nonconsolidated entities	11,045	15,070	11,541	28,524
Other	10,952	24,504	10,337	23,856
	<u>\$ 431,753</u>	<u>\$ 651,039</u>	<u>\$ 550,347</u>	<u>\$ 645,120</u>

At December 31, 1995, the Company had income tax credits of \$22,919,000 expiring in 1997 through 2009. The Company also had \$161,027,000 of minimum tax credits, which may be carried forward indefinitely. The minimum tax credits are realizable through future reversals of existing taxable temporary differences. Management believes that the income tax credits will be fully realized based on future reversals of existing taxable temporary differences, future earnings, or available tax planning strategies.

During 1995, the Company provided \$32,500,000 of income taxes for the tax effect of the difference in the book and tax bases of its stock ownership in Rainy River (see Note 9).

During 1994, the Company recognized a noncash charge of \$20,200,000 for taxes on undistributed Canadian earnings related to Rainy River (see Note 9).

Pretax income (loss) from domestic and foreign sources is as follows:

	Year Ended December 31		
	1995	1994	1993
	(expressed in thousands)		
Domestic	\$ 554,325	\$ (37,783)	\$(100,319)
Foreign	35,085	(26,967)	(25,271)
Pretax income (loss)	<u>\$ 589,410</u>	<u>\$ (64,750)</u>	<u>\$(125,590)</u>

The Company's federal income tax returns have been examined through 1991, and 1992 and 1993 are currently under review. Certain deficiencies have been proposed, but the amount of the deficiencies,

if any, that may result upon settlement of these years cannot be determined at this time. The Company believes that it has adequately provided for any such deficiencies and that settlements will not have a material adverse effect on the Company's financial condition or results of operations.

3. DEBT

In 1995, the Company amended its revolving credit agreement with a group of banks to reduce the aggregate amount from \$650,000,000 to \$600,000,000 and to extend the termination date from June 30, 1997 to June 30, 2000. As of December 31, 1995, borrowings under the existing agreement totaled \$185,000,000. At the time of its expiration in June 2000, any amount outstanding will be due and payable.

The revolving credit agreement provides a choice of several pricing formulas. At December 31, 1995, the interest rate was 6.3%. Commitment fees are required on the unused portion of the credit.

The agreement requires the Company to maintain a minimum amount of net worth and a minimum interest coverage ratio and not to exceed a maximum ratio of debt to net worth. Under this agreement, the payment of dividends by the Company is dependent upon the existence of and the amount of net worth in excess of the defined minimum under this agreement. The Company's net worth at December 31, 1995, exceeded the defined minimum amount by \$212,730,000.

The Company's subsidiary, Boise Cascade Office Products Corporation (BCOP), entered into a \$225,000,000 revolving credit agreement that expires in 1999 and provides for variable rates of interest based upon customary indexes. The revolving credit facility is available for general corporate purposes, and contains customary restrictive financial and other covenants, including a negative pledge and covenants specifying a minimum net worth, a minimum fixed charge coverage ratio, and a maximum leverage ratio. The lending banks may terminate the revolving credit agreement, and accelerate the payment of any amounts borrowed thereunder, in the event a change of control (as defined) of BCOP occurs. There were no borrowings outstanding at December 31, 1995.

At December 31, 1995, the Company had \$400,400,000 of shelf capacity registered with the Securities and Exchange Commission for additional debt securities. On January 24, 1996, the Company sold \$125,000,000 of 7.35% debentures due 2016.

Long-term debt, almost all of which is unsecured, consists of the following:

	December 31 1995(1)	1994
	(expressed in thousands)	
7.375% notes, due in 1997, net of unamortized discount of \$89,000	\$ 66,691	\$ 99,777
10.125% notes, due in 1997, net of unamortized discount of \$84,000	97,786	119,844
9.9% notes, due in 2000, net of unamortized discount of \$231,000	99,769	99,714
9.875% notes, due in 2001, callable in 1999	100,000	100,000
9.85% notes, due in 2002	125,000	125,000
9.45% debentures, due in 2009, net of unamortized discount of \$311,000	149,689	149,666
Medium-term notes, Series A, with interest rates averaging 8.8% in 1995 and 1994, due in varying amounts through 2013	269,405	327,300
Revenue bonds and other indebtedness, with interest rates averaging 6.5% and 7.3%, due in varying amounts annually through 2024, net of unamortized discount of \$1,293,000	270,271	220,591
American & Foreign Power Company Inc. 5% debentures, due in 2030, net of unamortized discount of \$1,186,000	22,002	23,416
Revolving credit borrowings, with interest rates averaging 6.3% and 6.8%	185,000	240,000
Debt called or paid at maturity(2)	-	178,374
	<u>1,385,613</u>	<u>1,683,682</u>
Less current portion	20,778	58,534
	<u>1,364,835</u>	<u>1,625,148</u>
Guarantee of ESOP debt, due in installments through 2004	213,934	230,956
	<u>\$1,578,769</u>	<u>\$1,856,104</u>

(1) The amount of net unamortized discount disclosed applies to long-term debt outstanding at December 31, 1995.

(2) In July 1995, the Company's 9.625% notes were redeemed, and in September 1995, the Company's 7% convertible subordinated debentures were redeemed.

The scheduled payments of long-term debt are \$20,778,000 in 1996, \$187,295,000 in 1997, \$27,529,000 in 1998, \$43,164,000 in 1999, and \$304,580,000 in 2000. Of the total amount shown in 2000, \$185,000,000 is related to the Company's revolving credit agreement.

Cash payments for interest, net of interest capitalized, were \$143,631,000 in 1995, \$143,693,000 in 1994, and \$158,963,000 in 1993.

At December 31, 1995, the Company had \$75,000,000 of variable-rate, tax-exempt bonds payable December 1, 2023, with weekly interest rates which may not exceed 12% per annum. In conjunction with the tax-exempt bonds, the Company has two interest rate swaps with a total notional amount of \$56,250,000. The swaps will be terminated on or before July 1, 1996. The Company pays fixed interest under the swaps at an average rate of 4.95%, and receives a variable rate based on LIBOR.

The Company has guaranteed debt used to fund an employee stock ownership plan that is part of the Savings and Supplemental Retirement Plan for the Company's U.S. salaried employees (see Note 5). The Company has recorded the debt on its Balance Sheets, along with an offset in the shareholders' equity section that is titled "Deferred ESOP benefit." The Company has guaranteed certain tax indemnities on the ESOP debt, and the interest rate on the guaranteed debt is subject to adjustment for events described in the loan agreement.

On September 27, 1995, the Company redeemed its \$75,900,000 principal amount, 7.00% convertible subordinated debentures that were due May 1, 2016, at a price of 100.70% plus accrued interest. Alternatively, holders of the debentures could convert them to the Company's common stock through September 27, 1995, at the rate of 1.1415 shares of common stock for each \$50 principal amount of debentures. Common shares issued upon conversion totaled 34,653.

During 1995, the Company made open-market purchases of approximately \$84,800,000 principal amount of its other public debt securities.

4. LEASES

Lease obligations for which the Company assumes substantially all property rights and risks of ownership are capitalized. All other leases are treated as operating leases. Rental expenses for operating leases, net of sublease rentals, were \$36,354,000 in 1995,

\$31,714,000 in 1994, and \$30,877,000 in 1993.

The Company has various operating leases with remaining terms of more than one year. These leases have minimum lease payment requirements, net of sublease rentals, of \$25,139,000 for 1996, \$22,029,000 for 1997, \$20,222,000 for 1998, \$19,304,000 for 1999, and \$17,412,000 for 2000, with total payments thereafter of \$175,240,000.

Substantially all lease agreements have fixed payment terms based upon the passage of time. Some lease agreements provide the Company with the option to purchase the leased property. Additionally, certain agreements contain renewal options averaging eight years, with fixed payment terms similar to those in the original lease agreements.

5. RETIREMENT AND BENEFIT PLANS

Substantially all of the Company's employees are covered by pension plans. The plans are primarily noncontributory defined benefit plans. The pension benefit for salaried employees is based primarily on years of service and the highest five-year average compensation, and the benefit for hourly employees is generally based on a fixed amount per year of service. The Company's contributions to its pension plans vary from year to year, but the Company has made at least the minimum contribution required by law in each year. The assets of the pension plans are invested primarily in common stocks, fixed-income securities, and cash and cash equivalents.

The assumptions used by the Company's actuaries in the calculations of pension income and plan obligations for the U.S. plans are estimates of factors that will determine, among other things, the amount and timing of future benefit payments. On January 1, 1995, the asset return assumption was decreased to 9.75% from the 10% used previously. The discount rate assumption decreased to 7.5% at December 31, 1995, from the 8.25% used at year-end 1994. The discount rate was 7.5% at December 31, 1993. The salary escalation assumption used at December 31, 1995, 1994, and 1993 was 5%. Pension income was primarily attributable to earnings from plan assets in recent years.

The Company's Canadian plans and assets and liabilities related to U.S. employees that became employees of Rainy River were transferred to Rainy River effective in 1994 (see Note 9).

The following table, which includes only Company-sponsored plans, compares the pension obligation with assets available to meet that obligation:

	Plans With Assets in Excess of the Accumulated Benefit Obligation December 31		Plans With an Accumulated Benefit Obligation in Excess of Assets December 31	
	1995	1994	1995	1994
	(expressed in millions)			
Accumulated benefit obligation				
Vested	\$ (656.7)	\$ (496.1)	\$ (281.3)	\$ (327.1)
Nonvested	(23.8)	(16.7)	(15.8)	(16.6)
Provision for salary escalation	(62.3)	(45.8)	(5.0)	(2.6)
Projected benefit obligation	<u>(742.8)</u>	<u>(558.6)</u>	<u>(302.1)</u>	<u>(346.3)</u>
Plan assets at fair market value	799.1	586.1	216.7	259.5
Net plan assets (obligation)	<u>\$ 56.3</u>	<u>\$ 27.5</u>	<u>\$ (85.4)</u>	<u>\$ (86.8)</u>

The following table reconciles the net plan assets (obligation) to the prepayment (obligation) recorded on the Company's Balance Sheets:

	Plans With Assets in Excess of the Accumulated Benefit Obligation December 31		Plans With an Accumulated Benefit Obligation in Excess of Assets December 31	
	1995	1994	1995	1994
	(expressed in millions)			
Net plan assets (obligation)	\$ 56.3	\$ 27.5	\$ (85.4)	\$ (86.8)
Remainder of unrecognized initial asset (1)	(3.6)	(9.8)	(1.7)	(5.4)
Other unrecognized items (2)	14.1	32.1	38.5	51.3
Adjustment to record minimum liability	-	-	(32.8)	(44.7)
Net recorded prepayment (obligation)	<u>\$ 66.8</u>	<u>\$ 49.8</u>	<u>\$ (81.4)</u>	<u>\$ (85.6)</u>

- (1) The unrecognized initial (asset) obligation calculated at January 1, 1986, is being amortized over a weighted average of 11 years.
- (2) "Other unrecognized items" reflects changes in actuarial assumptions, net changes in prior service costs, and net experience gains and losses since January 1, 1986.

The components of pension expense (income) are as follows:

	Year Ended December 31		
	1995	1994	1993
	(expressed in thousands)		
Benefits earned by employees	\$ 20,003	\$ 19,989	\$ 20,253
Interest cost on projected benefit obligation	72,606	67,710	76,076
(Earnings) losses from plan assets	(217,429)	9,985	(134,679)
Assumed earnings from plan assets (more) less than actual earnings	131,883	(97,681)	44,338
Amortization of unrecognized net initial asset	(9,898)	(9,985)	(12,145)
Amortization of net experience gains and losses from prior periods	(6)	237	1,149
Amortization of unrecognized prior service costs	3,873	2,931	3,547
Company-sponsored plans	1,032	(6,814)	(1,461)
Multiemployer pension plans	587	570	546
Total pension expense (income)	\$ 1,619	\$ (6,244)	\$ (915)

The Company and its retired employees currently share in the cost of retiree health care costs. The type of benefit provided and the extent of coverage vary based on employee classification, date of retirement, location, and other factors. The portion of the cost of coverage paid by the Company for salaried employees retiring in each year since 1986 has decreased, and the Company will eventually cease to share in the cost of health care benefits for retired salaried employees. All of the Company's postretirement health care plans are unfunded. The Company explicitly reserves the right to amend or terminate its retiree medical plans at any time, subject only to constraints, if any, imposed by the terms of collective bargaining agreements. Accrual of costs pursuant to accounting standards does not affect, or reflect, the Company's ability to amend or terminate these plans. Amendment or termination may significantly impact the amount of expense incurred.

The Company accrues postretirement benefit costs, including retiree health care costs. A discount rate of 7.5% was adapted effective as of December 31, 1995, down from an 8.25% rate that had been adopted at the end of the previous year. A discount rate of 7.5% was used at the end of 1993. The initial 1992 trend rate for medical care costs was 8.5%, which is assumed to decrease ratably over the next ten years to 6%. A 1% increase in the trend rate for medical care costs would have increased the December 31, 1995, benefit obligation by \$3,620,000 and postretirement health care expense for the year ended December 31, 1995, by \$530,000.

The components of postretirement health care expense are as follows:

	Year Ended December 31		
	1995	1994	1993
	(expressed in thousands)		
Benefits earned by employees	\$ 1,180	\$ 1,850	\$ 2,300
Interest cost on accumulated postretirement health care benefit obligation	8,140	8,430	11,700
Amortization of unrecognized actuarial loss	120	410	-
Amortization of unrecognized items	(3,720)	(3,020)	-
Total postretirement health care expense	\$ 5,720	\$ 7,670	\$ 14,000

The accrued postretirement health care benefit obligation is included primarily in "Other long-term liabilities" on the Balance Sheets. The components of the obligation are as follows:

	December 31	
	1995	1994
	(expressed in thousands)	
Retirees	\$ 72,390	\$ 70,090
Fully eligible active employees	10,050	15,380
Other active employees	18,100	26,340
Accumulated postretirement health care benefit obligation	100,540	111,810
Unrecognized items	25,940	30,180
Unrecognized actuarial loss	(7,340)	(5,220)
Accrued postretirement health care benefit obligation	\$ 119,140	\$ 136,770

The Company sponsors savings and supplemental retirement programs for its salaried and some hourly employees. The program for salaried employees includes an employee stock ownership plan. Under that plan, the Company's Series D ESOP convertible preferred stock (see Note 7) is being allocated to eligible participants through 2004, as principal and interest payments are made on the ESOP debt guaranteed by the Company. Total expense for these plans was \$20,236,000 in 1995, compared with \$20,150,000 in 1994, and \$13,598,000 in 1993.

6. BOISE CASCADE OFFICE PRODUCTS CORPORATION

In April 1995, the Company's wholly owned subsidiary, Boise Cascade Office Products Corporation ("BCOP") completed the initial public offering of 5,318,750 shares of common stock at a price of \$25 per share. After the offering, the Company owned 82.7% of the outstanding BCOP common stock. The net proceeds of the offering to BCOP were approximately \$123,076,000, of which approximately \$101,859,000 was indirectly (through retention of accounts receivable and a small dividend payment) available to the Company for general corporate purposes. The remainder of the proceeds was retained by BCOP for its general corporate purposes.

From the BCOP offering, the Company recorded a gain of approximately \$60,000,000 or \$.98 per fully diluted share. In 1995, BCOP also issued 452,638 shares of its stock to effect various acquisitions. As a result of these share issuances, the Company recorded a gain of \$6,270,000, or \$.10 per fully diluted share. In accordance with FASB Statement 109, "Accounting for Income Taxes," income taxes were not provided on the gains. At December 31, 1995, the Company owned 81.5% of the outstanding BCOP common stock.

In 1995 and 1994, BCOP made various acquisitions, all of which were accounted for under the purchase method of accounting. Accordingly, the purchase prices were allocated to the assets acquired and liabilities assumed based upon their estimated fair values. The excess of the purchase price over the estimated fair value of the net assets acquired was recorded as goodwill and is being amortized over 40 years. The results of operations of the acquired businesses are included in the Company's operations subsequent to the dates of acquisitions.

In 1995, BCOP acquired 10 contract stationer businesses for cash of \$62,138,000 and issuance of BCOP stock valued at \$18,185,000. If these businesses had been acquired on January 1, 1995, the Company's sales would have increased by \$160,540,000, net income would have increased by \$2,030,000, and primary and fully diluted earnings per common share would have increased by \$.04 and \$.03, respectively. If these businesses had been acquired on January 1, 1994, the Company's sales would have increased by \$212,600,000, net income would have increased by \$3,060,000, and primary and fully diluted earnings per common share would have increased by \$.08. In April 1994, BCOP purchased the net assets of the direct-mail office supply business of The Reliable Corporation for \$71,306,000 in cash. If this business had been acquired on January 1, 1994, the Company's sales would have increased by \$53,500,000, net loss would have decreased by \$1,900,000, and primary and fully diluted loss per common share would have decreased by \$.05. If this business had been acquired on January 1, 1993, the Company's sales would have increased by \$155,100,000, net loss would have decreased by \$3,500,000 and primary and fully diluted loss per common share would have decreased by \$.09. There were no acquisitions in 1993.

BCOP has announced that it will acquire Grand & Toy Ltd., a national office products distributor in Canada, for about \$104,000,000 and will also acquire two additional contract stationer businesses in the United States. The annual sales of these three businesses at the time they were announced were approximately \$281,000,000. BCOP funds its acquisitions through its common stock offering in April 1995, operating cash flow, issuance of additional equity securities, and anticipated borrowings under its \$225,000,000 revolving credit facility.

7. SHAREHOLDERS' EQUITY

PREFERRED STOCK. At December 31, 1995, 6,117,774 shares of 7.375% Series D ESOP convertible preferred stock were outstanding. The stock is shown on the Balance Sheets at its liquidation preference of \$45 per share. The stock was sold in 1989 to the trustee of the Company's Savings and Supplemental Retirement Plan for salaried employees (see Note 5). Each ESOP preferred share is entitled to one vote, bears an annual cumulative dividend of \$3.31875, and is convertible at any time by the trustee to .80357 share of common stock. The ESOP preferred shares may not be redeemed for less than the liquidation preference.

At December 31, 1995, two series of preferred stock outstanding were represented by depositary shares. These preferred issues are shown on the Balance Sheets at their respective liquidation preference, net of the costs of issuance. The details of the issues are as follows:

	Series F	Series G
Date of issuance	First quarter	Third quarter

	1993	1993
Preferred shares outstanding	115,000	862,500
Depository shares outstanding	4,600,000	8,625,000
Cumulative annual dividend:		
Per preferred share	\$94.00	\$15.80
Per depository share	\$2.35	\$1.58
Liquidation preference:		
Per preferred share	\$1,000.00	\$211.25
Per depository share	\$25.00	\$21.125
Votes:		
Per preferred share	(Limited	1
Per depository share	voting rights)	1/10
Automatic conversion (unless previously redeemed or converted):		
Date	(Not convertible)	Oct. 1997
Common shares issued per depository share	-	1 (see below)

The Series F preferred stock and related depository shares may be redeemed on or after February 15, 1998, at a price of \$1,000 per preferred share (\$25 per depository share) plus accrued but unpaid dividends.

On October 15, 1997, each depository share of Series G preferred stock will automatically convert to one share of the Company's common stock unless the Series G preferred stock and related depository shares have been previously redeemed by the Company or converted by the shareholders. The Company may elect to redeem the Series G preferred stock and related depository shares for common stock on or after July 15, 1997, until October 15, 1997. The total number of common shares issuable upon redemption between July 15, 1997, and September 15, 1997, is determined by dividing \$21.225 by a defined then-current average market price for the Company's common stock and multiplying the result by the 8,625,000 depository shares. For the period on or after September 15, 1997, through October 14, 1997, the numerator in the preceding calculation is reduced from \$21.225 to \$21.125. In the event the market price of the Company's common stock exceeds \$26.375 upon an announced redemption, it is anticipated that the holders of the Series G depository shares would elect to convert their depository shares to common stock. Upon conversion, which is permitted at any time prior to redemption, .801 share of common stock (subject to adjustment in certain events) would be issuable for each Series G depository share so converted.

Examples of common stock issuances upon redemption of the Series G preferred stock are as follows (subsequent to September 15, 1997):

Common Stock Market Price at Time of Redemption	Common Shares Expected to be Issued Upon Redemption
\$0-\$21.125 (1)	8,625,000
\$22.50	8,097,916
\$25.00	7,288,125
\$26.375 (2)	6,908,175

(1) Call price.

(2) The total number of common shares issuable at this market price are equal to shares issuable upon exercise of the Series G preferred stock conversion rights.

The remaining authorized but unissued preferred shares may be issued with such voting rights, dividend rates, conversion privileges, sinking fund requirements, and redemption prices as the board of directors may determine, without action by the shareholders.

On January 15, 1995, the Company's depository shares of Series E preferred stock converted to 8,625,000 shares of the Company's common stock.

COMMON STOCK. The Company is authorized to issue 200,000,000 shares of common stock, of which 47,759,946 shares were issued and outstanding at December 31, 1995. Of the unissued shares, a total of 19,607,196 shares were reserved for the following:

Conversion of Series D ESOP preferred stock	4,916,060
Conversion of Series G preferred stock	8,625,000
Issuance under Key Executive Stock Option Plan(1)	5,872,592
Issuance under Director Stock Compensation Plan	93,544
Issuance under Director Stock Option Plan	100,000

(1) Includes 1,100,000 shares related to the Key Executive Stock Option Plan that will be reserved subsequent to shareholder approval.

The Company has a shareholder rights plan which was adopted in December 1988 and amended in September 1990. Details are set forth in the Amended and Restated Rights Agreement filed with the Securities and Exchange Commission on September 26, 1990.

The Key Executive Stock Option Plan provides for the granting of

options to purchase shares of the Company's common stock. The exercise price is equal to the fair market value of the Company's common stock on the date the options were granted.

Additional information relating to the Key Executive Stock Option Plan is as follows:

	Year Ended December 31		
	1995	1994	1993
Balance at beginning of the year	4,995,052	4,708,382	4,131,952
Options granted	748,800	1,039,600	919,200
Options exercised	(1,262,328)	(347,671)	(50,067)
Options canceled	(141,491)	(405,259)	(292,703)
Balance at end of the year	4,340,033(1)	4,995,052	4,708,382
Price range of:			
Options granted	\$41-\$44	\$25	\$21
Options exercised	\$18-\$44	\$18-\$25	\$18-\$25
Options outstanding	\$18-\$47	\$18-\$47	\$18-\$47

(1) At December 31, 1995, options for 3,595,433 shares were exercisable.

The Director Stock Compensation Plan, which is available only to nonemployee directors, provides for granting options to purchase shares of the Company's common stock. The difference between the \$2.50 per share exercise price and the market value of the common stock subject to option is intended to offset certain compensation that participating directors have elected not to receive in cash. A total of 5,117 options were granted with respect to cash compensation not taken and dividends accrued during 1995, compared with 7,716 options in 1994 and 10,194 options in 1993. A total of 2,175 options were exercised during 1995.

In 1995, the shareholders approved the Director Stock Option Plan (the "DSOP"), which is available only to nonemployee directors. The annual stock option grants under this plan, in addition to the directors' continuing discretionary participation in the Director Stock Compensation Plan, will provide the directors with compensation in a manner which is directly related to the Company's stock price and is directly aligned with other shareholders' interests. Each grant will permit the director to purchase a fixed number of shares of the Company's common stock at the market price of the common stock on the date the option is granted. During 1995, 12,000 options were granted at a price of \$41.88.

Options may not, except under unusual circumstances, be exercised until one year following the grant date.

In 1995, the FASB issued Statement 123 "Accounting for Stock-Based Compensation." The Company does not expect to change its accounting for stock-based compensation but it will make additional disclosure in its 1996 financial statements as required by the standard.

In October 1995, the Company announced that its board of directors had authorized the Company to purchase up to 4,300,000 shares of its common stock or common stock equivalents. The authorization, which superseded all previous stock buyback authorizations, is expected to be used from time to time over a 12- to 18-month period depending on market conditions, the Company's cash flow, and other corporate considerations.

During 1995, the Company purchased 448,396 shares of its common stock under programs approved by the board of directors and, at December 31, 1995, was authorized to purchase up to 3,855,449 additional shares.

8. LITIGATION AND LEGAL MATTERS

The Company is involved in litigation and administrative proceedings primarily arising in the normal course of its business. In the opinion of management, the Company's recovery, if any, or the Company's liability, if any, under any pending litigation or administrative proceeding would not materially affect its financial condition or operations.

9. INVESTMENTS IN EQUITY AFFILIATES

As of December 31, 1995, the Company's principal investments in affiliates accounted for using the equity method included a 30% interest in Rumford Cogeneration Company Limited Partnership, which is engaged in the operation of a cogeneration facility located at the Company's mill in Rumford, Maine; a 47% interest in Voyageur Panel, which is building an oriented strand board (OSB) plant in Barwick, Ontario, Canada; and a 25% interest in Ponderosa Fibres of Washington, which is building a recycled wastepaper pulp production facility adjacent to the Company's Wallula, Washington, pulp and paper mill. The Company has management/operating agreements with various affiliates. The debt of each affiliate has been issued without recourse to the Company.

The Company had a 50% interest in the general partnership of Pine City Fiber Company, a wastepaper recycling plant located adjacent to the Company's Jackson, Alabama, pulp and paper mill. In December

1995, the Company entered into an agreement to purchase the other 50% interest. This transaction closed shortly after year-end. Accordingly, as of December 31, 1995, this entity has been consolidated with the Company's Financial Statements resulting in additions of \$78,290,000 of assets, primarily property and equipment, and \$77,090,000 of liabilities, primarily long-term debt. These noncash additions have not been reflected in the Company's Statement of Cash Flows.

On October 16, 1995, the Company announced its intent to form a joint venture with Companhia Suzano de Papel e Celulose, a Brazilian pulp and paper producer, to acquire, operate, and expand the Company's pulp and paper mill, timberlands, sawmill, and wastepaper recycling plant in Jackson, Alabama. The Company is expected to own 50% of the joint venture. Discussions and documentation for the transaction continue; however, even if a final agreement is not reached between the parties, the Company will complete the expansion of the mill including construction of a new uncoated free sheet paper machine, which represents a \$290,000,000 capital investment. This new machine is expected to begin production in the second quarter of 1997.

In October 1994, Rainy River completed an initial public offering of units of its equity and debt securities. As a result of the offering, the Company owned 49% of the outstanding voting common shares and 60% of the total equity of Rainy River. Rainy River was accounted for on the equity method retroactive to January 1, 1994, in the Company's consolidated financial statements. Rainy River's results of operations were included in "Equity in net income (loss) of affiliates." Rainy River owned and operated the Company's former newsprint mill in Kenora, Ontario, Canada, an uncoated groundwood paper mill in Fort Frances, Ontario, Canada, and a newsprint mill in West Tacoma, Washington, which was purchased from the Company for approximately US\$148,000,000 cash in conjunction with the public offerings.

The equity securities were sold at a premium to the net book value of the Canadian company, but the translation into U.S. dollars and other costs of the transaction resulted in a charge to the Company of \$10,200,000 before taxes, or \$.18 per fully diluted common share, in the third quarter 1994. This loss was recorded in "Gain (loss) on subsidiaries' issuance of stock," in the accompanying Statements of Income (Loss).

In November 1995, the Company divested its remaining interest in Rainy River through Rainy River's merger with Stone-Consolidated Corporation, and received cash of approximately \$183,482,000 and Stone-Consolidated stock. The Company used the proceeds from this transaction to reduce debt. At December 31, 1995, the Company holds approximately 6,600,000 shares of Stone-Consolidated common stock, representing approximately 6.4% of Stone-Consolidated's outstanding common stock. In addition, the Company holds approximately 2,800,000 shares of Stone-Consolidated's redeemable preferred stock.

The Company accounts for its holdings in Stone-Consolidated on the cost method. The investment in Stone-Consolidated stock totaling \$130,953,000 at December 31, 1995, is included in "Other Current Assets" in the Balance Sheet. The investment has been classified as available-for-sale and is being marked-to-market. At December 31, 1995, "Retained Earnings" has been reduced by \$7,910,000, including the impact of foreign currency translation and deferred income taxes, for this market adjustment.

A summary of transactions between the Company and its equity affiliates is as follows:

	Year Ended December 31		
	1995	1994	1993
	(expressed in thousands)		
Fees charged by and expenses reimbursable to the Company	\$ 23,420	\$ 36,430	\$ 18,150
Purchases from equity affiliates	111,590	98,180	50,170
Sales to equity affiliates	198,030	83,490	28,900
Amounts payable to equity affiliates	3,437	11,711	6,046
Amounts receivable from equity affiliates	6,333	29,170	7,328

Summarized financial information of the equity affiliates is as follows:

	Year Ended December 31		
	1995	1994	1993
	(expressed in thousands)		
Condensed income statement information:			
Sales	\$ 770,240	\$ 499,520	\$ 105,810
Gross profit	154,380	6,790	31,930
Net income (loss)	73,200	(15,300)	16,270

December 31
1995 1994

Condensed balance sheet

information:		
Current assets	\$ 115,217	\$ 222,293
Noncurrent assets	201,596	760,431
Current liabilities	23,741	111,064
Noncurrent liabilities	218,002	488,884

10. SEGMENT INFORMATION

Boise Cascade Corporation is an integrated paper and forest products company headquartered in Boise, Idaho, with operations located primarily in the United States. The Company manufactures and distributes paper and paper products, office products, and building products and owns and manages timberland to support these operations.

No single customer accounts for 10% of consolidated trade sales. Export sales to foreign unaffiliated customers are immaterial. During 1993, the Company's Canadian paper operations made sales of \$37,292,000 to Company paper operations in the U.S.

SUMMARY OF SIGNIFICANT SEGMENT ACCOUNTING POLICIES. Intersegment sales are recorded primarily at market prices. Corporate assets are primarily cash and short-term investments, deferred income tax benefits, prepaid expenses, certain receivables, and property and equipment.

The Company's segments exclude timber-related assets and capital expenditures, because any allocation of these assets would be arbitrary. Company timber harvested is included in segment results at cost.

An analysis of the Company's operations by segment and by geographic area is as follows:

	Trade	Sales Inter- segment	Total (expressed in thousands)	Operating Income (Loss) (1)	Depreciation and Cost of Company Timber Harvested	Capital Expendi- tures	Assets
Year Ended December 31, 1995							
Paper and paper products	\$2,255,643	\$ 262,530	\$2,518,173	\$ 435,988	\$ 185,378	\$ 242,518	\$2,793,621
Office products	1,313,908	2,045	1,315,953	72,055	11,975	102,569 (2)	544,124
Building products	1,482,340	93,080	1,575,420	89,178	36,843	68,756	468,786
Other operations	22,339	54,301	76,640	299	4,716	6,035	61,263
Total	5,074,230	411,956	5,486,186	597,520	238,912	419,878	3,867,794
Intersegment eliminations	-	(411,956)	(411,956)	(1,209)	-	-	(50,084)
Timber, timberlands, and timber deposits	-	-	-	-	-	5,688	383,394
Equity in affiliates	-	-	-	40,070	-	-	25,803
Corporate and other	-	-	-	22,048 (3)	2,008	1,931	429,279
Consolidated totals	\$5,074,230	\$ -	\$5,074,230	\$ 658,429	\$ 240,920	\$ 427,497	\$4,656,186
Year Ended December 31, 1994							
Paper and paper products	\$1,630,379	\$ 164,519	\$1,794,898	\$ (38,473)	\$ 181,729	\$ 138,892	\$2,607,716
Office products	907,276	1,244	908,520	42,008	10,377	86,137	348,122
Building products	1,589,693	63,732	1,653,425	150,978	36,159	35,324	443,075
Other operations	13,042	62,055	75,097	5,280	5,332	5,612	67,102
Total	4,140,390	291,550	4,431,940	159,793	233,597	265,965	3,466,015
Intersegment eliminations	-	(291,550)	(291,550)	(398)	-	-	(30,241)
Timber, timberlands, and timber deposits	-	-	-	-	-	5,174	397,721
Equity in affiliates	-	-	-	(22,930)	-	-	204,498
Corporate and other	-	-	-	(43,324)	2,833	725	256,084
Consolidated totals	\$4,140,390	\$ -	\$4,140,390	\$ 93,141	\$ 236,430	\$ 271,864	\$4,294,077
Year Ended December 31, 1993							
Paper and paper products							
United States	\$1,548,788	\$ 125,007	\$1,673,795	\$ (124,865)	\$ 181,060	\$ 144,062	\$2,700,246
Canada	246,855	3	246,858	(12,905)	29,095	34,962	452,739
	1,795,643	125,010	1,920,653	(137,770)	210,155	179,024	3,152,985
Office products	681,654	1,165	682,819	35,631	10,100	2,907	234,751
Building products	1,468,724	62,100	1,530,824	158,773	38,477	28,534	447,831
Other operations	12,279	57,524	69,803	3,136	5,618	5,301	71,994
Total	3,958,300	245,799	4,204,099	59,770	264,350	215,766	3,907,561
Intersegment eliminations	-	(245,799)	(245,799)	(935)	-	-	(24,144)
Timber, timberlands, and timber deposits	-	-	-	-	-	4,663	366,054
Equity in affiliates	-	-	-	5,270	-	-	22,700
Corporate and other	-	-	-	(43,463)	3,360	1,052	240,802
Consolidated totals	\$3,958,300	\$ -	\$3,958,300	\$ 20,642	\$ 267,710	\$ 221,481	\$4,512,973

(1) Operating income (loss) includes gains from sales and dispositions (see Note 1). In addition, interest income has been allocated to the Company's segments in the amounts of \$2,829,000 for 1995, \$1,451,000 for 1994, and \$862,000 for 1993.

(2) Capital expenditures include acquisitions made by BCOP through the issuance of common stock.

(3) Corporate and other operating income includes a gain of \$68,900,000 for the sale of the Company's remaining interest in Rainy River (see Note 1).

11. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

	1995				1994			
	Fourth(1,2)	Third(3)	Second(4,5,6)	First	Fourth	Third (7)	Second	First
	(expressed in millions, except per share and stock price information)							
Net sales	\$1,242	\$1,339	\$1,270	\$1,223	\$1,109	\$1,090	\$1,000	\$ 941
Gross profit	261	309	278	220	171	122	100	57
Net income (loss)	70	119	106	57	26	(32)	(19)	(38)
Net income (loss) per share(8)								
Primary	1.15	2.03	1.82	.93	.32	(1.19)	(.86)	(1.35)
Fully diluted	1.07	1.83	1.64	.85	.32	(1.19)	(.86)	(1.35)
Common stock dividends paid per share	.15	.15	.15	.15	.15	.15	.15	.15
Common stock prices(9)								
High	40 5/8	47 1/2	41 1/8	35 3/8	30 1/2	30 1/2	24 1/4	27 3/4
Low	30 3/8	38 1/2	30 1/2	26 1/4	22 5/8	22	19	22 3/8

- (1) Includes a charge of \$74,900,000 before taxes, or 76 cents per fully diluted share, related primarily to the write-down of certain paper assets under the provisions of Financial Accounting Standards Board Statement 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" (see Note 1).
- (2) Includes a pretax gain of \$68,900,000, or 70 cents per fully diluted share, as a result of the sale of the Company's remaining interest in Rainy River (see Note 1).
- (3) Includes a gain of \$6,160,000, or 10 cents per fully diluted share, as a result of shares issued by BCOP to effect various acquisitions (see Note 6.)
- (4) Includes a gain of \$60,000,000, or 98 cents per fully diluted share, from the BCOP initial public offering (see Note 6).
- (5) Includes \$32,500,000 of income taxes, or 53 cents per fully diluted share, for the tax effect of the difference in the book and tax bases of the Company's stock ownership in Rainy River (see Note 2).
- (6) Includes a pretax charge of \$19,000,000, or 19 cents per fully diluted share, for the establishment of reserves for the write-down of certain paper assets (see Note 1). Also included is the Company's addition to its existing reserves of \$5,000,000 before taxes, or 5 cents per fully diluted share, for environmental and other contingencies.
- (7) Includes a charge of \$10,200,000 before taxes, or 18 cents per fully diluted share as a result of the sale of securities by Rainy River. Also includes the recognition by the Company of a noncash charge of \$20,200,000, or 53 cents per fully diluted share, for U.S. taxes on previously undistributed Canadian earnings (see Note 2 and 9).
- (8) The computation of fully diluted net loss per common share was antidilutive in 1994; therefore, primary and fully diluted net loss per share are the same.
- (9) The Company's common stock is traded principally on the New York Stock Exchange.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Boise Cascade Corporation:

We have audited the accompanying balance sheets of Boise Cascade Corporation (a Delaware corporation) and subsidiaries as of December 31, 1995 and 1994, and the related statements of income (loss), cash flows, and shareholders' equity for the years ended December 31, 1995, 1994, and 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boise Cascade Corporation and subsidiaries as of December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

Boise, Idaho
January 26, 1996

Arthur Andersen LLP

REPORT OF MANAGEMENT

The management of Boise Cascade Corporation is primarily responsible for the information and representations contained in this annual report. The financial statements and related notes were prepared in conformity with generally accepted accounting principles appropriate in the circumstances. In preparing the financial statements, management has, when necessary, made judgments and estimates based on currently available information.

Management maintains a comprehensive system of internal controls based on written policies and procedures and the careful selection and training of employees. The system is designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that transactions are executed in accordance with management's authorization. The concept of reasonable assurance is based on recognition that the cost of a particular accounting control should not exceed the benefit expected to be derived.

The Company's Internal Audit staff monitors the Company's financial reporting system and the related internal accounting controls, which are also selectively tested by Arthur Andersen LLP, Boise Cascade's independent public accountants, for purposes of planning and performing their audit of the Company's financial statements.

The Audit Committee of the board of directors, which is composed solely of nonemployee directors, meets periodically with management, representatives of the Company's Internal Audit Department, and Arthur Andersen LLP representatives to assure that each group is carrying out its responsibilities. The Internal Audit staff and the independent public accountants have access to the Audit Committee, without the presence of management, to discuss the results of their audits, recommendations concerning the system of internal accounting controls, and the quality of financial reporting.

STATEMENTS OF INCOME (LOSS) (UNAUDITED) Boise Cascade Corporation and Subsidiaries

	THREE MONTHS ENDED DECEMBER 31		YEAR ENDED DECEMBER 31	
	1995	1994	1995	1994
(EXPRESSED IN THOUSANDS)				
REVENUES				
Sales	\$1,241,960	\$1,108,880	\$5,074,230	\$4,140,390
Other income (expense), net	750	(5,570)	(16,560)	1,360
	<u>1,242,710</u>	<u>1,103,310</u>	<u>5,057,670</u>	<u>4,141,750</u>
COSTS AND EXPENSES				
Materials, labor, and other operating expenses	923,070	877,340	3,764,960	3,453,730
Depreciation and cost of company timber harvested	58,170	60,050	240,920	236,430
Selling and administrative expenses	121,110	89,870	436,260	336,970
	<u>1,102,350</u>	<u>1,027,260</u>	<u>4,442,140</u>	<u>4,027,130</u>
EQUITY IN NET INCOME (LOSS) OF AFFILIATES	6,760	1,230	40,070	(22,930)
INCOME FROM OPERATIONS	<u>147,120</u>	<u>77,280</u>	<u>655,600</u>	<u>91,690</u>
Interest expense	(29,750)	(37,770)	(135,130)	(147,800)
Interest income	760	900	2,970	1,690
Foreign exchange loss	(320)	-	(300)	(130)
Gain (loss) on subsidiaries' issuance of stock	110	-	66,270	(10,200)
	<u>(29,200)</u>	<u>(36,870)</u>	<u>(66,190)</u>	<u>(156,440)</u>
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	<u>117,920</u>	<u>40,410</u>	<u>589,410</u>	<u>(64,750)</u>
Income tax provision (benefit)	44,770	14,550	231,290	(2,140)
INCOME (LOSS) BEFORE MINORITY INTEREST	<u>73,150</u>	<u>25,860</u>	<u>358,120</u>	<u>(62,610)</u>
MINORITY INTEREST, NET OF INCOME TAX	<u>(2,730)</u>	<u>-</u>	<u>(6,260)</u>	<u>-</u>
NET INCOME (LOSS)	<u>\$ 70,420</u>	<u>\$ 25,860</u>	<u>\$ 351,860</u>	<u>\$ (62,610)</u>
NET INCOME (LOSS) PER COMMON SHARE				
Primary	\$1.15	\$.32	\$5.93	\$(3.08)
Fully diluted	\$1.07	\$.32	\$5.39	\$(3.08)
SEGMENT INFORMATION				
SEGMENT SALES				
Paper and paper products	\$ 590,413	\$ 523,687	\$2,518,173	\$1,794,898
Office products	374,911	259,081	1,315,953	908,520
Building products	368,264	391,872	1,575,420	1,653,425
Intersegment eliminations and other	(91,628)	(65,760)	(335,316)	(216,453)
	<u>\$1,241,960</u>	<u>\$1,108,880</u>	<u>\$5,074,230</u>	<u>\$4,140,390</u>
SEGMENT OPERATING INCOME (LOSS)				
Paper and paper products	\$ 41,709	\$ 43,154	\$ 435,988	\$ (38,473)
Office products	24,615	10,278	72,055	42,008
Building products	13,267	37,710	89,178	150,978
Equity in net income (loss) of affiliates	6,760	1,230	40,070	(22,930)
Corporate and other	60,769	(15,092)	18,309	(39,893)
INCOME FROM OPERATIONS	<u>\$ 147,120</u>	<u>\$ 77,280</u>	<u>\$ 655,600</u>	<u>\$ 91,690</u>

Balance Sheets (Unaudited) Boise Cascade Corporation and Subsidiaries

	DECEMBER 31	
	1995	1994
(EXPRESSED IN THOUSANDS)		
ASSETS		
CURRENT		
Cash and cash items	\$ 36,876	\$ 22,447
Short-term investments at cost, which approximates market	14,593	7,007
	<u>51,469</u>	<u>29,454</u>
Receivables, less allowances of \$3,577,000 and \$1,987,000	457,608	405,661
Inventories	568,905	423,589
Deferred income tax benefits	82,744	42,487
Other	152,442	17,073
	<u>1,313,168</u>	<u>918,264</u>
PROPERTY		
Property and equipment		

Land and land improvements	39,482	37,775
Buildings and improvements	459,897	439,936
Machinery and equipment	4,271,306	4,078,302
	<u>4,770,685</u>	<u>4,556,013</u>
Accumulated depreciation	(2,166,487)	(2,062,106)
	<u>2,604,198</u>	<u>2,493,907</u>
Timber, timberlands, and timber deposits	383,394	397,721
	<u>2,987,592</u>	<u>2,891,628</u>
INVESTMENTS IN EQUITY AFFILIATES	25,803	204,498
OTHER ASSETS	329,623	279,687
TOTAL ASSETS	<u>\$4,656,186</u>	<u>\$4,294,077</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Notes payable	\$ 17,000	\$ 56,000
Current portion of long-term debt	20,778	58,534
Income taxes payable	26,328	-
Accounts payable	379,523	306,848
Accrued liabilities		
Compensation and benefits	159,514	107,866
Interest payable	27,542	36,043
Other	139,222	92,552
	<u>769,907</u>	<u>657,843</u>
DEBT		
Long-term debt, less current portion	1,364,835	1,625,148
Guarantee of ESOP debt	213,934	230,956
	<u>1,578,769</u>	<u>1,856,104</u>
OTHER		
Deferred income taxes	302,030	137,260
Other long-term liabilities	243,259	278,012
	<u>545,289</u>	<u>415,272</u>
MINORITY INTEREST	<u>67,783</u>	<u>-</u>
SHAREHOLDERS' EQUITY		
Preferred stock - no par value; 10,000,000 shares authorized; Series D ESOP: \$.01 stated value; 6,117,774 and 6,294,891 shares outstanding	275,300	283,270
Series D ESOP benefit	(213,934)	(230,956)
Series E: \$.01 stated value; 862,500 shares outstanding at September 30 and December 31, 1994	-	191,466
Series F: \$.01 stated value; 115,000 shares outstanding in 1994	111,043	111,043
Series G: \$.01 stated value; 862,500 shares outstanding in each period	176,404	176,404
Common stock - \$2.50 par value; 200,000,000 shares authorized; 47,759,946 and 38,284,186 shares outstanding	119,400	95,710
Additional paid-in capital	205,107	-
Retained earnings	1,021,118	737,921
Total shareholders' equity	<u>1,694,438</u>	<u>1,364,858</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$4,656,186</u>	<u>\$4,294,077</u>
SHAREHOLDERS' EQUITY PER COMMON SHARE	\$28.17	\$21.77

Statements of Cash Flows (Unaudited) Boise Cascade Corporation and Subsidiaries

YEAR ENDED DECEMBER 31
1995 1994
(EXPRESSED IN THOUSANDS)

CASH PROVIDED BY (USED FOR) OPERATIONS

Net income (loss)	\$351,860	\$(62,610)
Items in income (loss) not using (providing) cash		
Equity in net (income) loss of affiliates	(40,070)	15,040
Depreciation and cost of company timber harvested	240,920	236,430
Deferred income tax provision (benefit)	126,096	(2,174)
Minority interest, net of income tax	6,260	-
Write-down of assets	78,491	-
Amortization and other	31,997	17,836
Gain on sales of assets	(68,900)	-
(Gain) loss on subsidiaries' issuance of stock	(66,270)	10,200
Receivables	(13,813)	(69,567)
Inventories	(135,334)	6,139
Accounts payable and accrued liabilities	60,286	55,329
Current and deferred income taxes	25,239	9,036
Other	(4,440)	94
	<u>592,322</u>	<u>215,753</u>

CASH PROVIDED BY (USED FOR) INVESTMENT

Expenditures for property and equipment	(341,486)	(187,040)
Expenditures for timber and timberlands	(5,688)	(5,174)
Investments in equity affiliates, net	(3,894)	(25,347)
Purchases of facilities	(61,638)	(78,454)
Sales of assets	183,482	171,383
Other	11,312	(50,428)
	<u>(217,912)</u>	<u>(175,060)</u>

CASH PROVIDED BY (USED FOR) FINANCING

Cash dividends paid		
Common stock	(27,125)	(22,844)
Preferred stock	(48,731)	(60,871)
	<u>(75,856)</u>	<u>(83,715)</u>
Notes payable	(39,000)	25,000
Additions to long-term debt	10,140	138,842
Payments of long-term debt	(381,797)	(115,569)
Subsidiaries' issuance of stock	123,076	-
Other	11,042	1,774
	<u>(352,395)</u>	<u>(33,668)</u>

INCREASE IN CASH AND SHORT-TERM INVESTMENTS

	22,015	7,025
BALANCE AT THE BEGINNING OF THE YEAR	29,454	22,429
	<u>\$ 51,469</u>	<u>\$ 29,454</u>

BALANCE AT END OF YEAR

Financial Highlights. The Statements of Income (Loss) and Segment Information are unaudited statements which do not include all Notes to Financial Statements and should be read in conjunction with the 1995 Annual Report of the Company. The 1995 Annual Report will be available in March 1996. The net income for the three months ended December 31, 1995 and 1994, was subject to seasonal variations and necessarily involved adjustments to estimates made at interim periods for accruals and allocations.

In the fourth quarter of 1995, the Company adopted Financial Accounting Standards Board Statement 121, a new standard on accounting for the impairment of long-lived assets. As a result of an evaluation of its paper strategies, a decision was made to reconfigure the Vancouver, Washington, pulp and paper mill and reduce, over time, its production. In the fourth quarter of 1995, the Company's paper and paper products segment recorded a charge of approximately \$74,900,000 before taxes, or 76 cents per fully diluted share. Most of this charge is related to the write-down of certain of the mill's assets under the provisions of the new accounting standard.

In October 1994, Rainy River Forest Products Inc. ("Rainy River"), the Company's former Canadian subsidiary, completed an initial public offering of units of its equity and debt securities. As a result of the offering, the Company owned 49% of the outstanding voting common shares and 60% of the total equity of Rainy River. Rainy River was accounted for on the equity method retroactive to January 1, 1994, in the Company's consolidated financial statements. Rainy River's results of operations were included in "Equity in net income (loss) of affiliates." Rainy River owned and operated the Company's former newsprint mill in Kenora, Ontario, Canada; uncoated groundwood paper mill in Fort Frances, Ontario, Canada; and newsprint mill in West Tacoma, Washington.

The equity securities were sold at a premium to the net book value of the Canadian company, but the translation into U.S. dollars and other costs of the transaction resulted in a charge to the Company of \$10,200,000 before taxes, or 18 cents per fully diluted common share, in third quarter 1994. Also in the third quarter of 1994, recognition by the Company of a non-cash charge for U.S. taxes on previously undistributed Canadian earnings amounted to \$20,200,000, or 53 cents per fully diluted common share.

In November 1995, the Company divested its remaining interest in Rainy River through Rainy River's merger with Stone-Consolidated Corporation, and received cash of approximately \$183,000,000 and Stone-Consolidated stock. At December 31, 1995, the Company held approximately 6,600,000 shares of Stone-Consolidated common stock, representing approximately 6.4% of Stone-Consolidated's outstanding common stock. In addition, the Company held approximately 2,800,000 shares of Stone-Consolidated's redeemable preferred stock. The Company accounts for its holdings in Stone-Consolidated on the cost method. The Company will use the proceeds from this transaction to reduce debt, make capital investments, and enhance shareholder returns. In the fourth quarter of 1995, the Company recorded a pretax gain of approximately \$68,900,000, or 70 cents per fully diluted share, for the sale of its remaining interest in Rainy River.

The net effect in the fourth quarter of 1995 of the gain on the sale of the Company's interest in Rainy River and the charge recorded in the paper and paper products segment decreased net income approximately \$3,700,000 and fully diluted earnings per share 6 cents for the quarter.

In the second quarter of 1995, the Company provided \$32,500,000 of income taxes, or 53 cents per fully diluted share, for the tax effect of the difference in the book and tax bases of its stock ownership in Rainy River.

In April 1995, the Company's wholly owned subsidiary, Boise Cascade Office Products Corporation ("BCOP"), completed the initial public offering of 5,318,750 shares of common stock at a price of \$25 per share. After the offering, the Company owned 82.7% of the outstanding BCOP common stock. The net proceeds of the offering to BCOP were approximately \$123,076,000, of which approximately \$101,859,000 was indirectly available to the Company for general corporate purposes. The remainder of the proceeds were retained by BCOP for its general corporate purposes.

From the BCOP offering, the Company recorded a gain of approximately \$60,000,000, or 98 cents per fully diluted share, in the second quarter of 1995. In the third quarter of 1995, BCOP issued 445,305 shares of its stock to effect various

acquisitions. As a result of these share issuances, the Company recorded a gain of \$6,160,000, or 10 cents per fully diluted share. In accordance with SFAS 109, Accounting for Income Taxes, income taxes were not provided on the gains. At December 31, 1995, the Company owned 81.5% of the outstanding BCOP common stock.

Also in the second quarter of 1995, the Company established reserves for the write-down of certain assets in its paper and paper products segment to their net realizable value with a pretax charge of \$19,000,000, or 19 cents per fully diluted share. The Company also added to its existing reserves \$5,000,000 before taxes, or 5 cents per fully diluted share, for environmental and other contingencies.

The net effect of the gain on the sale of the Company's interest in Rainy River, the fourth-quarter charge recorded in the paper and paper products segment, the gains on the issuance of BCOP stock, the tax provision for Rainy River, and the establishment of the above second-quarter reserves increased net income \$15,100,000 and fully diluted earnings per share 25 cents for the year ended December 31, 1995.

The effective tax provision rate for 1995, before any effects of the unusual items described above, was 38%, compared with a tax benefit rate of 34.5% for 1994. The change in the rate is primarily due to increased income from the Company's U.S. operations.

Net Income (Loss) Per Common Share. Net income (loss) per common share was determined by dividing net income (loss), as adjusted, by applicable shares outstanding. For the three months and year ended December 31, 1994, the computation of fully diluted net loss per share was antidilutive; therefore, the amounts reported for primary and fully diluted loss were the same.

For the year ended December 31, 1995 and 1994, primary average shares included common shares outstanding and, if dilutive, common stock equivalents attributable to stock options, Series E conversion preferred stock prior to converting to shares of the Company's common stock on January 15, 1995, and Series G conversion preferred stock. Excluded common equivalent shares were 16,391,000 at December 31, 1994. In addition to common and common equivalent shares, fully diluted average shares include common shares that would be issuable upon conversion of the Company's other convertible securities.

	Year Ended December 31	
	1995	1994
	(expressed in thousands)	
Net income (loss) as reported	\$351,860	\$(62,610)
Preferred dividends	(25,550)	(54,586)
Primary income (loss)	<u>326,310</u>	<u>(117,196)</u>
Assumed conversions:		
Preferred dividends eliminated	14,740	43,776
Interest on 7% debentures eliminated	2,501	3,439
Supplemental ESOP contribution	(12,599)	(12,573)
Fully diluted income (loss)	<u>\$330,952</u>	<u>\$(82,554)</u>
Average number of common shares		
Primary	55,028	38,110
Fully diluted	61,351	61,407

Primary income excludes, and the loss includes, the aggregate amount of dividends on the Company's preferred stock. The dividend attributable to the Company's Series D convertible preferred stock held by the Company's ESOP (employee stock ownership plan) is net of a tax benefit. To determine the fully diluted income (loss), dividends on convertible preferred stock and interest, net of any applicable taxes, have been added back to primary income (loss) to reflect assumed conversions. The fully diluted income was reduced by, and the loss was increased by, the after-tax amount of additional contributions that the Company would be required to make to its ESOP if the Series D ESOP preferred shares were converted to common stock.

The significant subsidiaries of the Company are as follows:

	State or Other Jurisdiction of Incorporation or Organization	Percentage of Voting Securities Owned
Boise Southern Company	Louisiana	100.00
Boise Cascade Office Products Corporation	Delaware	81.47
Oxford Paper Company	Delaware	100.00

The data schedule contains summary financial information extracted from Boise Cascade Corporation's Balance Sheet at December 31, 1995, and from its Statement of Income for the year ended December 31, 1995. The information presented is qualified in its entirety by references to such financial statements.

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12-MOS	
	DEC-31-1995
	DEC-31-1995
	36,876
	14,593
	457,608
	3,577
	568,905
	1,313,168
	5,154,079
	(2,166,487)
	4,656,186
769,907	
	1,578,769
0	
	562,747
	119,400
	1,012,291
4,656,186	
	5,074,230
	5,057,670
	4,005,880
	4,442,140
	0
	0
	135,130
	589,410
	231,290
351,860	
	0
	0
	0
	351,860
	5.93
	5.39