

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 10-K

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

For the fiscal year ended December 31, 2003

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-5057

BOISE CASCADE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

82-0100960
(I.R.S. Employer Identification No.)

1111 West Jefferson Street, P.O. Box 50, Boise, Idaho
(Address of principal executive offices)

83728
(Zip Code)

(208) 384-6161
(Registrant's telephone number, including area code)

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 Stock Exchange
American & Foreign Power Company Inc. Debentures, 5% Series due 2030	New York Stock Exchange
Common Stock Purchase Rights	New York Stock Exchange
7.5% Adjustable Conversion-Rate Equity	New York Stock Exchange
Security Units (Issued by Boise Cascade Trust I)	

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/ .

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes /X/ No / /

The aggregate market value of the voting common stock held by nonaffiliates of the registrant, computed by reference to the price at which the common stock was sold as of the close of business on June 30, 2003, was \$1,393,693,917. Registrant does not have any nonvoting common equities.

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 January 31, 2004
Common Stock, \$2.50 par value	87,222,091

Document incorporated by reference

Portions of the registrant's proxy statement relating to its 2004 annual meeting of shareholders to be held on April 15, 2004 ("Boise Cascade Corporation's proxy statement"), are incorporated by reference into Part III of this Form 10-K.

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PART I

ITEM 1. BUSINESS

As used in this 2003 Annual Report on Form 10-K, the terms "Boise" and "we" include Boise Cascade Corporation and its consolidated subsidiaries and predecessors. Our Securities and Exchange Commission (SEC) filings, which include this Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all related amendments, are available, free of charge, on our website at www.bc.com, Investor Relations, SEC filings. These reports are available soon after they are filed electronically with the SEC.

General Overview

Boise is a multinational contract and retail distributor of office supplies and paper, technology products, and office furniture. Boise is also a major distributor of building materials and an integrated manufacturer and distributor of paper, packaging, and wood products. We are headquartered in Boise, Idaho, with domestic and international operations. We own or control approximately 2.4 million acres of timberland in the United States. We were 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, our name was changed to Boise Cascade Corporation.

We have historically reported our business results using four reportable segments: Boise Office Solutions; Boise Building Solutions; Boise Paper Solutions; and Corporate and Other (support staff services). In December 2003, we acquired OfficeMax, Inc. (OfficeMax). After the acquisition, we began reporting Boise Office Solutions as two separate segments, Boise Office Solutions, Contract, and Boise Office Solutions, Retail. All of our segments, except Boise Office Solutions, Retail, have a December 31 year-end. Our Boise Office Solutions, Retail, segment maintains a fiscal year that ends on the last Saturday in December, which in 2003 was December 27. We consolidate the fiscal-year results of Boise Office Solutions, Retail, with the calendar-year results of our other segments. We present information pertaining to each of our five segments and the geographic areas in which they operate in Note 16, Segment Information, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

Our acquisition of OfficeMax significantly changed our business mix and was in keeping with our long-term strategy of growing our distribution businesses. The acquisition more than doubled the size of Boise Office Solutions, and this part of our business now generates approximately two-thirds of total company sales. Approximately 80% of our sales now come from our office products and building materials distribution businesses, with the remainder coming from our traditional paper and building products manufacturing businesses. For more information about our acquisition of OfficeMax, see Note 2, OfficeMax Acquisition, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

Given the scale of the OfficeMax acquisition, we have undertaken a review of the direction of the company as a whole by exploring strategic alternatives for our paper and building products businesses. We are considering alternatives ranging from no change in our business mix to potential restructurings, divestitures, spinoffs, and/or other business combinations. We expect this process, which began late in 2003, to take 12 to 18 months. The timing, outcome, and implementation of this review may significantly affect the company, its structure, and our business mix.

Boise Office Solutions, Contract

Boise distributes a broad line of items for the office, including office supplies and paper, technology products, and office furniture, through our Boise Office Solutions, Contract, segment. This segment markets and sells through field salespeople, catalogs, the Internet, and stores in Canada, Hawaii, Australia, and New Zealand. It also includes sales generated by OfficeMax's field salespeople, catalogs, and E-commerce business after December 9, 2003. Substantially all products sold by this segment are purchased from outside manufacturers or from industry wholesalers, except office papers, which are sourced primarily from our paper operations. Boise Office Solutions, Contract, sells these office products directly to large corporate, government, and small and medium sized offices in the United States, Canada, Australia, New Zealand, and Mexico.

Customers with more than one location are often served under the terms of one national contract that provides consistent products, prices, and service to multiple locations. If the customer desires, we also provide summary billings, usage reporting, and other special services. On January 31, 2004, Boise Office Solutions, Contract, operated 80 distribution centers, 6 customer service centers, 5 wholesale/manufacturing facilities, and 2 outbound sales centers. Boise Office Solutions, Contract, also operated 106 stores in Canada, Hawaii, Australia, and New Zealand.

Boise Office Solutions, Contract, sales for 2003, 2002, 2001, 2000, and 1999 were \$3,742 million, \$3,546 million, \$3,536 million, \$3,697 million, and \$3,397 million, respectively.

Boise Office Solutions, Retail

Boise Office Solutions, Retail, which operates under the trade name OfficeMax, is a retail distributor of office supplies and paper, technology products, and office furniture. Its superstores feature CopyMax® and FurnitureMax® in-store modules devoted to print-for-pay services and office furniture. Our retail segment has operations in the United States, Puerto Rico, and the U.S. Virgin Islands and a 51%-owned joint venture in Mexico. In 2003, all products sold by this segment were purchased from outside manufacturers or from industry wholesalers. The retail office products segment did not purchase any office paper from Boise during 2003, but it will in the future. The combined Boise Office Solutions, which comprises our contract and retail segments, expects to sell approximately 650,000 tons of Boise office paper in 2004, compared with 568,000 tons in 2003.

This segment includes the operating results of our office supply superstores. On January 31, 2004, our retail office products segment operated 970 superstores, 3 large distribution centers that support the superstores, 3 small-format stores, and 1 small distribution center. Boise Office Solutions, Retail, sales from December 10 to December 27, 2003, were \$283 million.

Boise Building Solutions

Boise is a major producer of structural panels (plywood and oriented strand board), lumber, and particleboard through our Boise Building Solutions segment. We also manufacture engineered wood products, including laminated veneer lumber (LVL), which is a high-strength engineered structural lumber product; wood I-joists; and laminated beams. Most of our production is sold to independent wholesalers and dealers and through our own wholesale building materials distribution outlets. Our wood products are used primarily in housing, industrial construction, and a variety of manufactured products. Building materials manufacturing sales for 2003, 2002, 2001, 2000, and 1999 were \$824 million, \$774 million, \$792 million, \$882 million, and \$958 million, respectively, while building materials distribution sales for the same years were \$2,048 million, \$1,696 million, \$1,596 million, \$1,601 million, and \$1,289 million.

The following table lists annual practical capacities of our building materials manufacturing facilities as of December 31, 2003, and production for 2003:

	Number of Mills(a)	Capacity at December 31, 2003(a)(b)	Production
		(millions)	
Plywood and veneer (sq ft) (³ / ₈ " basis)(c)	11	1,780	1,855
Oriented strand board (OSB) (sq ft) (³ / ₈ " basis)(d)	1	440	432
Particleboard (sq ft) (³ / ₄ " basis)	1	200	150
Lumber (board feet)	7	380	356
Engineered wood products(e)	3		
Laminated veneer lumber (LVL) (cubic feet)		19	15
I-joists (equivalent lineal feet)(e)			194
Brazilian veneer (sq ft) (³ / ₈ " basis)(f)	1	150	66

(a) In February 2004, we sold our plywood and lumber operations in Yakima, Washington. The sold mills represented about 11% of the plywood capacity and about 13% of the lumber capacity reflected in the table.

- (b) Capacity is production assuming normal operating shift configurations.
- (c) Production and capacity applicable to plywood only.
- (d) In 1995, we formed a joint venture to build an oriented strand board (OSB) plant in Barwick, Ontario, Canada. We own 47% of the joint venture and account for it on the equity method. Abitibi-Consolidated Company of Canada, the Northwestern Mutual Life Insurance Company, and Allstate Insurance Company together hold the other 53%. The 440 million square feet of annual capacity represents 100% of the production volume.
- (e) A portion of laminated veneer lumber production is used to manufacture I-joists at two engineered wood products plants. Capacity is based on laminated veneer lumber production only.
- (f) Most of the veneer is used for production of LVL at our plant in Alexandria, Louisiana. The remainder is processed into plywood in Brazil.

The following table lists sales volumes for our building materials manufacturing business for the years indicated:

	2003	2002	2001	2000	1999
	(millions)				
Plywood (sq ft) (³ / ₈ " basis)	1,890	1,788	1,816	1,881	1,529
Oriented strand board (sq ft) (³ / ₈ " basis)(a)	432	417	389	397	374
Particleboard (sq ft) (³ / ₄ " basis)	153	189	199	193	187
Lumber (board feet)	364	395	398	461	517
Laminated veneer lumber (cubic feet)	9.8	7.8	6.7	6.3	5.5
I-joists (equivalent lineal feet)	200	166	156	142	135

- (a) Represents 100% of the sales volume from our joint venture, of which we own 47%.

In 2001, we began construction of a new facility near Elma, Washington, to manufacture integrated wood-polymer building materials. The plant has had a very difficult start-up, in part due to the plant's unique manufacturing processes. While product quality has met our expectations, production has not reached anticipated levels. We recently announced that we would temporarily discontinue production at the facility to allow us to make the technical improvements necessary to

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increase production levels. We are not able to predict how long these improvements may take or at what time shipments of product will resume.

Boise operates 27 wholesale building materials distribution facilities. These operations market a wide range of building materials, including lumber, plywood, oriented strand board, particleboard, decking, engineered wood products, paneling, drywall, builders' hardware, and metal products. These products are distributed to retail lumber dealers, home centers specializing in the do-it-yourself market, and industrial customers. A portion (approximately 21%) of the lumber, panels, and engineered wood products sold by our distribution operations is provided by our manufacturing facilities, and the balance is purchased from outside sources.

Boise Paper Solutions

Boise manufactures and sells uncoated free sheet papers (office papers, printing grades, forms bond, envelope papers, and value-added papers), containerboard, corrugated containers, newsprint, and market pulp through our Boise Paper Solutions segment. Boise Paper Solutions sales for 2003, 2002, 2001, 2000, and 1999 were \$1,853 million, \$1,878 million, \$1,942 million, \$2,048 million, and \$1,887 million, respectively.

This business segment is focused primarily on uncoated free sheet papers and containerboard and corrugated containers. Uncoated free sheet represented 56% of segment revenues in 2003, containerboard and corrugated containers accounted for 20%, and newsprint accounted for 9%. Market pulp and wood fiber accounted for the remaining 15% of revenues.

About 41% of our uncoated free sheet paper, including about 77% of our office papers, was sold through Boise Office Solutions. We expect this percentage to increase with the addition of our retail office products segment. The equivalent of 54% of our containerboard production is consumed by our corrugated container plants.

Our paper, containerboard, and newsprint are manufactured at five mills in the United States. These mills had an annual capacity of 2.9 million short tons (2,000 pounds) on December 31, 2003. With the exception of newsprint, our products are sold to distributors, including Boise Office Solutions, and industrial customers, primarily by our own sales personnel. Newsprint is marketed by Abitibi-Consolidated Company of Canada. Our corrugated containers are manufactured at five U.S. plants, which have an annual capacity of approximately 6.5 billion square feet. The containers produced at our plants are used to package fresh fruit and vegetables, processed food, beverages, and many other industrial and consumer products. We sell our corrugated containers primarily through our own sales personnel.

Our paper mills are supplied with pulp primarily from our own integrated pulp mills. Pulp mills in the Northwest manufacture chemical pulp from wood residuals produced as a byproduct of solid wood products manufacturing facilities. They also obtain fiber from our cottonwood fiber farm near Wallula, Washington. Pulp mills in the Midwest and South manufacture chemical, thermomechanical, and groundwood pulp, primarily from pulpwood logs and, to a lesser extent, from wood residuals from solid wood products manufacturing facilities. We also process most of the recycled fiber used in our paper and containerboard products.

Wood residuals are provided by our own sawmills and panel plants in the Northwest and, to a lesser extent, in the South or are purchased from outside sources.

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The following table sets forth annual practical capacities of our paper manufacturing locations as of December 31, 2003, and production for 2003:

	Number of Machines	Capacity at December 31, 2003(a)	Production
		(short tons)	
PULP AND PAPER MILLS			
Jackson, Alabama			
Uncoated free sheet	2	520,000	425,000
DeRidder, Louisiana			
Containerboard	1	560,000	525,000
Newsprint	2	440,000	413,000
International Falls, Minnesota			
Uncoated free sheet	4	560,000	479,000
St. Helens, Oregon			
Uncoated free sheet	3	250,000	248,000
Market pulp	—	115,000	99,000
Wallula, Washington			
Uncoated free sheet	1	250,000	227,000
Market pulp	1	115,000	103,000
Containerboard	1	130,000	127,000
	15	2,940,000	2,646,000

ANNUAL CAPACITY BY PRODUCT

Uncoated free sheet	1,580,000
Containerboard	690,000
Newsprint	440,000
Market pulp	230,000
	2,940,000

(a) Capacity assumes production 24 hours per day, 365 days per year, except for days allotted for planned maintenance.

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

	2003	2002	2001	2000	1999
	(thousands of short tons)				
Uncoated free sheet	1,396	1,425	1,386	1,393	1,426
Containerboard	650	654	644	680	655
Newsprint	416	406	395	423	422
Market pulp and other	146	179	157	150	149
	2,608	2,664	2,582	2,646	2,652
	(millions of square feet)				
Corrugated containers	4,591	4,463	4,736	4,968	4,681

Timber Resources

The primary raw material we use in our paper and building products segments is wood fiber. The primary sources of wood fiber are timber and the byproducts of timber, such as wood chips, wood shavings, and sawdust. Factors such as governmental forest management practices and regulations and urban real estate development influence the supply of timber.

We own or control approximately 2.4 million acres of timberland in the United States. We manage our timberlands as part of our Boise Building Solutions and Boise Paper Solutions segments. The financial impact of our timberlands on our results of operations is included in these segments. The open-market cost of timber and other wood fiber is subject to commodity pricing, which can fluctuate greatly depending on weather, governmental restraints, and industry conditions. The amount of timber we harvest each year from our own timber resources, compared with the amount we purchase from outside sources, varies according to the price and supply of wood fiber for sale on the open market and the harvest levels we deem sound in the management of our timberlands. During 2003, we met

47% of our fiber needs through our own timber and wood fiber sources, 42% through private sources, and 11% through government sources. During 2002, these percentages were 49%, 39%, and 12%, and in 2001, they were 44%, 47%, and 9%.

In March 2002, we announced that we would no longer harvest timber from old-growth forests in the United States. This policy became effective in 2004. As a result of this policy, we will not enter into any timber sale contracts on public or private forestlands that require harvesting old-growth forests. This policy formally recognizes a trend that we had already been following for several years. Our formal adoption of this policy will not materially affect our available timber supply.

Changes in government policy and environmental litigation can cause the amount of timber available for commercial harvest from public and private lands to vary considerably. Declines in the amount of timber offered for sale can negatively affect our wood manufacturing facilities. In recent years, these declines have been severe enough to cause the closure of numerous facilities, including two of our own. Future legislation and litigation concerning the use of public lands, the protection of endangered species, the promotion of forest health, and the response to and prevention of catastrophic wildfires may either increase or decrease the amount of timber supply from both public and private forestlands. As a result, we cannot accurately predict future log supply and costs or its potential impact on our manufacturing facilities.

In 2003, we sold approximately 9,100 acres of timberland in Idaho and 2,500 acres in Alabama. In 2002, we purchased approximately 28,000 acres of timberland to support the operations of our plywood and lumber mills in northeastern Oregon and also sold approximately 4,600 acres in Alabama. In 2001, we purchased approximately 19,000 acres of timberland to support the operations of our pulp and paper mill in Jackson, Alabama. Fiber for our veneer and plywood plant in Brazil is initially coming from private sources. Boise manages the land and trees and schedules the harvest for one of these private sources in Brazil under multiyear agreements. This private source provides a significant portion of our plant's fiber needs. In 2001, we also purchased approximately 35,000 acres of eucalyptus plantation land in Brazil to meet the future fiber requirements of the plant.

Long-term leases of private timberlands generally provide Boise with timber harvesting rights and carry with them the responsibility for managing the timberlands. The remaining life of all leases, including renewal terms, ranges from 13 to 62 years. In addition, we have an option to purchase approximately 200,000 acres of timberland under lease and/or contract in the southern United States. We manage our timberlands efficiently so that they will provide a sustained supply of wood for future needs. We work to improve tree selection, site preparation, planting, fertilization, thinning, and logging techniques. Using standard plant breeding techniques, we are able to plant and grow

trees that are larger, grow faster, and have greater disease resistance and a higher proportion of usable fiber. Computerization enables us to compile and analyze complex data to identify the most beneficial level of management for specific timberland tracts. We assume substantially all risks of loss from fire and other casualties on all standing timber we own.

During 2003, our mills processed approximately 175 million cubic feet of sawtimber (timber used to make lumber and veneer) and 239 million cubic feet of pulpwood (timber used in papermaking); we harvested 56% of the sawtimber and 28% of the pulpwood from our owned or controlled timber resources. We acquired the balance from various private and government sources. Approximately 57% of the 1.1 million bone-dry units (a bone-dry unit is 2,400 dry pounds) of hardwood and softwood chips consumed by our Northwest pulp and paper mills in 2003 came from internal sources, including our whole-log chipping facility; our cottonwood fiber farm near Wallula, Washington; and our Northwest building materials manufacturing facilities as residuals from processing solid wood products. Excluding the chips provided by our Yakima plywood and lumber operations, which were sold in February 2004, about 50% of the chips came from internal sources. Of the 265,000 bone-dry units of residual chips used in the South, our Southern building materials manufacturing facilities provided 64%.

The following table shows the acreages of owned or controlled timber resources by geographic area in the United States and the approximate percentages of total fiber requirements available from our respective timber resources in these areas and from the residuals from processed purchased logs at December 31, 2003, 2002, and 2001.

	Northwest(a)(e)			Midwest(b)			South(c)			Total(d)		
	2003	2002	2001	2003	2002	2001	2003	2002	2001	2003	2002	2001
	(thousands of acres)											
Fee	1,306	1,310	1,281	309	308	308	431	434	438	2,046	2,052	2,027
Leases and contracts	25	28	30	—	—	—	289	289	288	314	317	318
	<u>1,331</u>	<u>1,338</u>	<u>1,311</u>	<u>309</u>	<u>308</u>	<u>308</u>	<u>720</u>	<u>723</u>	<u>726</u>	<u>2,360</u>	<u>2,369</u>	<u>2,345</u>
Approximate % of total fiber requirements available from:												
(e)												
Owned or controlled timber resources	41%	37%	35%	18%	19%	19%	49%	50%	44%	41%	39%	36%
Residuals from processed purchased logs	9	9	8	—	—	—	3	4	4	6	6	6
	<u>50%</u>	<u>46%</u>	<u>43%</u>	<u>18%</u>	<u>19%</u>	<u>19%</u>	<u>52%</u>	<u>54%</u>	<u>48%</u>	<u>47%</u>	<u>45%</u>	<u>42%</u>

(a) Principally sawtimber.

(b) Principally pulpwood.

(c) Sawtimber and pulpwood.

(d) At December 31, 2003, our inventory of sawtimber that was mature enough to harvest and process was approximately 1,439 million cubic feet, and our inventory of pulpwood was approximately 893 million cubic feet. At December 31, 2002, these inventories were approximately 1,492 million cubic feet of sawtimber and 953 million cubic feet of pulpwood, and at December 31, 2001, these inventories were approximately 1,440 million cubic feet of sawtimber and 872 million cubic feet of pulpwood.

(e) Assumes harvesting of company-owned or controlled timber resources to provide a dependable economic supply of wood fiber to our paper and building materials manufacturing facilities operating at practical capacity. Percentages shown represent weighted average consumption on a cubic foot basis.

You can find additional information about our timber resources under the caption "Timber Supply" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-K.

Environmental Issues

Our discussion of environmental issues is presented under the caption "Environmental" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-K. In addition, environmental issues are discussed under "Item 3. Legal Proceedings" of this Form 10-K.

Capital Investment

Information concerning our capital expenditures is presented under the caption "Investment Activities" and in the table titled "2003 Capital Investment by Segment" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-K.

Energy

Boise Paper Solutions is our primary energy user. In this segment, sources of self-generated energy, such as wood wastes, pulping liquors, and hydroelectric power, provided 59% of total energy requirements in 2003, compared with 57% in 2002 and 55% in 2001. The remaining energy requirements were fulfilled by purchased sources in 2003 as follows: natural gas, 56%; electricity, 34%; and residual fuel oil, 10%.

Competition

The markets in each of our business segments are large, fragmented, and highly competitive. Our products and services compete with similar products manufactured and distributed by others. Many factors influence our competitive position in each of our operating business segments. Those factors include price, service, quality, product selection, and convenience of location.

Some of our competitors in each of our segments are larger than we are and have greater financial resources. These resources afford those competitors greater purchasing power, increased financial flexibility, and more capital resources for expansion and improvement. This may enable those competitors to compete more effectively than we can.

Boise Office Solutions, Contract. The business-to-business office products market is highly competitive. Purchasers of office products have many options when purchasing office supplies and paper, technology products, and office furniture. We are among the four largest business-to-business contract stationers in the United States. We also compete with worldwide contract stationers, large retail office products suppliers, direct-mail distributors, discount retailers, drugstores, supermarkets, and thousands of local and regional contract stationers, many of whom have long-standing customer relationships. Increased competition in the office products industry, together with increased advertising, has heightened price awareness among end-users. Such heightened price awareness has led to margin pressure on office products. Besides price, competition is also based on customer service. We believe our excellent customer service gives us a competitive advantage among business-to-business office products distributors. Our ability to network our distribution centers into an integrated system enables us to serve, at a competitive cost, large national accounts that rely on us to deliver consistent products, prices, and service to multiple locations.

Boise Office Solutions, Retail. The domestic and international office products superstore industry, which includes superstore chains, Internet merchandisers, and numerous other competitors, is highly competitive. Businesses in the office products superstore industry compete on the basis of pricing, product selection, convenient locations, customer service, and ancillary business offerings.

We currently have two direct domestic superstore competitors, Office Depot and Staples, whose stores are similar to OfficeMax superstores in terms of store format, pricing strategy, and product selection. We expect to experience increased competition from computer and electronics superstore retailers, mass merchandisers, Internet merchandisers, and wholesale clubs. In particular, mass merchandisers, such as Wal-Mart, and wholesale clubs have increased their assortment of office products to attract home office customers and individual consumers. Further, various other retailers that have not historically competed with superstores, such as drugstores and grocery chains, have begun carrying at least a limited assortment of paper products and other basic office supplies. We expect this trend toward a proliferation of retailers offering a limited assortment of office supplies to continue. We may be subject to increasing competition from Internet merchandisers that have minimal barriers to entry. These competitors include traditional retailers that sell through the Internet, Internet sites that target the small business market with a full line of business products or service offerings, and Internet sites that sell or resell office products, technology products, and business services. We also anticipate increasing competition from our office supply superstore competitors and various other providers that have not historically competed with superstores in the print-for-pay business, which has historically been a key point of difference for OfficeMax superstores. Such increased competition could adversely affect our results of operation and profit margins.

We believe we will compete favorably with our competitors by differentiating ourselves based on the breadth and depth of our in-stock merchandise offering, along with specialized service offerings, everyday low prices, quality customer service, and the efficiencies and convenience for our customers of our combined Contract and Retail distribution channels with Boise Office Solutions.

Boise Building Solutions. The building products markets in which we compete are very large and highly fragmented, with fewer than ten national producers but hundreds of local and regional manufacturers and distributors. In plywood, laminated veneer lumber, and I-joists, we are among the top four domestic producers. We hold much smaller competitive positions in other building products. Most of our competitors are located in the United States and Canada, although we have seen increasing competition from outside North America. We compete not only with manufacturers and distributors of similar building products but also with products made from alternative materials, such as steel and plastic. Many factors (chiefly price, quality, and service) influence competition in the building products markets. Our attention to quality and customer service are our primary competitive advantages in this segment.

Boise Paper Solutions. Our major paper products are uncoated free sheet, containerboard, and newsprint, all of which are globally traded commodities with numerous worldwide manufacturers and distributors. About a dozen major manufacturers compete in the North American paper market. We are among the top four North American producers of uncoated free sheet papers. We hold much smaller positions in the newsprint and containerboard markets. Price, quality, and service are important competitive determinants across paper markets. All of our paper manufacturing facilities are located in the United States, and we compete largely in the domestic arena. We do, however, face competition from foreign producers. The level of this competition varies, depending on the level of demand abroad and the relative rates of currency exchange. In general, paper production does not rely on proprietary processes or formulas, except in highly specialized or custom grades.

Our paper products also compete with electronic transmission and document storage alternatives. As trends toward more use of these alternatives continue, we may see variances in the overall demand for paper products or shifts from one type of paper to another. For example, demand for newsprint has declined, as newspapers are replaced with electronic media.

Seasonality

Our office products businesses are seasonal. Sales in the second quarter and summer months are historically the slowest of the year. Our building products businesses are dependent on housing starts, repair-and-remodel activity, 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 our building products businesses. In addition, cold weather may affect our operating costs (including energy) at our manufacturing facilities.

Working Capital

We have no unusual working capital practices. We believe the management practices followed by Boise with respect to working capital conform to common business practices in the United States.

Acquisitions and Divestitures

We engage in acquisition and divestiture discussions with other companies and make acquisitions and divestitures from time to time. It is our policy to review our operations periodically and to dispose of assets that fail to meet our criteria for return on investment or cease to warrant retention for other reasons. See Note 2, OfficeMax Acquisition; Note 4, Other (Income) Expense, Net; and Note 15, Cost-Reduction Program, Restructuring Activities, and Facility Closures, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

Employees

On December 31, 2003, we had 55,618 employees, about 18,000 of whom worked part time. Approximately 6,568 of our employees were covered under collective bargaining agreements. On April 30, 2004, contracts covering approximately 765 workers in our pulp and paper mill in International Falls, Minnesota, are scheduled to expire. On June 1, 2004, contracts covering approximately 965 workers in our Northwest building materials manufacturing facilities are scheduled to expire.

Identification of Executive Officers

Information with respect to our executive officers is set forth in "Item 10. Directors and Executive Officers of the Registrant" of this Form 10-K.

ITEM 2. PROPERTIES

We own substantially all of our facilities other than those in Boise Office Solutions. The majority of our Boise Office Solutions facilities are rented under operating leases. Regular maintenance, renewal, and new construction programs have preserved the operating suitability and adequacy of our properties. Our properties are in good operating condition and are suitable and adequate for the operations for which they are used. We own substantially all equipment used in our facilities. Information concerning production capacity and the utilization of our manufacturing facilities is presented in "Item 1. Business" of this Form 10-K.

Following is a list of our facilities by segment as of January 31, 2004. In addition, our corporate headquarters is in Boise, Idaho.

Boise Office Solutions, Contract

80 distribution centers in 31 states, the District of Columbia, Canada, Australia, New Zealand, and Mexico.

Arizona	2	Maine	1	Oregon	1
California	4	Massachusetts	2	Pennsylvania	2
Colorado	2	Michigan	2	Tennessee	2
Delaware	1	Minnesota	2	Texas	4
District of Columbia	1	Missouri	3	Utah	1

Florida	3	Nevada	1	Virginia	1
Georgia	2	New Jersey	2	Washington	2
Hawaii	4	New Mexico	1	Wisconsin	1
Idaho	1	New York	2	Canada	7
Illinois	2	North Carolina	1	Australia	8
Indiana	1	Ohio	3	New Zealand	5
Kentucky	1	Oklahoma	1	Mexico	1

106 stores in Hawaii (8), Canada (70), Australia (6), and New Zealand (22).

6 customer service centers in Illinois (2), Ohio, Texas, Virginia, and Wyoming.

5 wholesale/manufacturing facilities in Australia (1) and New Zealand (4).

2 outbound sales centers in Illinois and Oklahoma.

Boise Office Solutions, Retail

970 superstores in 49 states, Puerto Rico, the U.S. Virgin Islands, and Mexico.

Alabama	13	Maine	2	Oregon	10
Alaska	3	Maryland	2	Pennsylvania	30
Arkansas	2	Massachusetts	17	Rhode Island	2
Arizona	33	Michigan	44	South Carolina	9
California	83	Minnesota	33	South Dakota	3
Colorado	25	Mississippi	6	Tennessee	25
Connecticut	10	Missouri	23	Texas	74
Delaware	2	Montana	3	Utah	15
Florida	57	Nebraska	7	Virginia	23
Georgia	31	Nevada	13	Washington	21
Hawaii	4	New Hampshire	3	West Virginia	6
Idaho	6	New Jersey	16	Wisconsin	27
Illinois	54	New Mexico	9	Wyoming	2
Indiana	19	New York	40	Puerto Rico	8
Iowa	10	North Carolina	28	U.S. Virgin Islands	1
Kansas	11	North Dakota	3	Mexico	33(a)
Kentucky	8	Ohio	50		
Louisiana	7	Oklahoma	4		

3 large distribution centers in Alabama, Nevada, and Pennsylvania.

3 small-format stores in Illinois (2) and Ohio.

1 distribution center in Mexico.(a)

(a) Represents the locations for our 51%-owned joint venture in Mexico.

Boise Building Solutions

7 sawmills in Alabama (1), Oregon (3), and Washington (3).

12 plywood and veneer plants in Louisiana (2), Oregon (7), Washington (2), and Brazil (1).

1 particleboard plant in Oregon.

3 laminated veneer lumber/wood I-joist plants in Louisiana, Oregon, and Canada.

1 wood beam plant in Idaho.

1 oriented strand board joint venture, of which we own 47%, in Canada.

27 wholesale building materials distribution facilities in 21 states.

Arizona	1	Maryland	1	New Mexico	1
California	1	Massachusetts	1	North Carolina	1
Colorado	2	Michigan	1	Oklahoma	1
Florida	1	Minnesota	1	Tennessee	1
Georgia	1	Montana	1	Texas	2
Idaho	2	New Hampshire	1	Utah	1
Illinois	1	New Jersey	1	Washington	4

Boise Paper Solutions

5 pulp and paper mills in Alabama, Louisiana, Minnesota, Oregon, and Washington.

6 distribution centers in California, Georgia, Illinois, New Jersey, Oregon, and Texas.

2 converting facilities in Oregon and Washington.

5 corrugated container plants in Idaho (2), Oregon, Utah, and Washington.

Timber Resources

For details about our timber properties, see the table under "Timber Resources" in "Item 1. Business" of this Form 10-K.

ITEM 3. LEGAL PROCEEDINGS

We have been notified that we are a "potentially responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or similar federal and state laws, or have received a claim from a private party, with respect to 16 active sites where hazardous substances or other contaminants are or may be located. In most cases, we are one of many potentially responsible parties, and our alleged contribution to these sites is relatively minor. For sites where a range of potential liability can be determined, we have established appropriate reserves. We believe we have minimal or no responsibility with regard to several other sites. We cannot predict with certainty the total response and remedial costs, our share of the total costs, the extent to which contributions will be available from other parties, or the amount of time necessary to complete the cleanups. Based on our investigations; our 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, we do not believe that the known actual and potential response costs will, in the aggregate, materially affect our financial position or results of operations.

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Over the past several years and continuing into 2004, we have been named a defendant in a number of cases where the plaintiffs allege asbestos-related injuries from exposure to asbestos products or exposure to asbestos while working at job sites. The claims vary widely and often are not specific about the plaintiffs' contacts with the company. None of the claims seeks damages from us individually, and we are generally one of numerous defendants. Many of the cases filed against us have been voluntarily dismissed, although we have settled some cases. The settlements we have paid have been covered mostly by insurance, and we believe any future settlements or judgments in these cases would be similarly covered. To date, no asbestos case against us has gone to trial, and the nature of these cases makes any prediction as to the outcome of pending litigation inherently subjective. At this time, however, we believe our involvement in asbestos litigation is not material to either our financial position or our results of operations.

We are also involved in other litigation and administrative proceedings arising in the normal course of our business. In the opinion of management, our recovery, if any, or our liability, if any, under pending litigation or administrative proceedings, including those described in the preceding paragraphs, would not materially affect our financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

We held a special meeting of shareholders on December 9, 2003. A total of 63,806,888 shares of common and preferred stock were outstanding and entitled to vote at the meeting. Of the total outstanding, 46,254,525 shares were represented at the meeting.

Our shareholders approved the adoption of the Agreement and Plan of Merger among us; our subsidiary, Challis Corporation; and OfficeMax, including authorizing the issuance of shares of Boise common stock in the merger, with 35,234,446 votes cast for and 10,664,172 against, while 355,907 shares abstained.

Our shareholders approved the amendment to the 2003 Boise Incentive and Performance Plan to increase the number of shares of Boise common stock available for issuance under the plan, with 24,414,863 votes cast for and 21,355,451 against, while 484,211 shares abstained.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is listed on the New York Stock Exchange (Exchange). The Exchange requires each listed company to distribute an annual report to its shareholders. We are distributing this Form 10-K to our shareholders in lieu of a separate annual report. The high and low sales prices for our common stock, as well as the frequency and amount of dividends paid on such stock, are included in Note 19, Quarterly Results of Operations, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K. Information concerning restrictions on the payments of dividends is included in Note 11, Debt, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K. The approximate number of common shareholders, based upon actual record holders on January 31, 2004, was 14,223.

We maintain a corporate governance page on our website that includes key information about our corporate governance initiatives. That information includes our Corporate Governance Guidelines, Code of Ethics, and charters for our Audit, Executive Compensation, and Governance and Nominating Committees, as well as our Committee of Outside Directors. The corporate governance page can be found at www.bc.com, by clicking on "Investor Relations," and then "Corporate Governance." You also may obtain copies of these policies and codes by contacting our Corporate Communications Department, 1111 West Jefferson Street, PO Box 50, Boise, Idaho 83728, or by calling 208/384-7990.

Shareholder Rights Plan

We have had a shareholder rights plan since January 1986. Our current plan, as amended and restated, took effect in December 1998. At that time, the rights under the previous plan expired, and we distributed to our common stockholders one new right for each common share held. The rights become exercisable ten days after a person or group acquires 15% of our 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. Each full right, if it becomes exercisable, entitles the holder to purchase one share of common stock at a purchase price of \$175 per share, subject to adjustment. Upon payment of the purchase price, the rights may "flip in" and entitle holders to buy common stock or "flip over" and entitle holders to buy common stock in an acquiring entity in such amount that the market value is equal to twice the purchase price. The rights are nonvoting and may be redeemed by the company for one cent per right at any time prior to the tenth day after an individual or group acquires 15% of our voting stock, unless extended. The rights expire in 2008. Additional details are set forth in the Renewed Rights Agreement filed with the Securities and Exchange Commission as Exhibit 4.3 with this Form 10-K.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth our selected financial data for the years indicated and should be read in conjunction with the disclosures in "Item 7. Management's Discussion and Analysis of

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Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

	2003(a)	2002(b)	2001(c)	2000(d)	1999(e)
	(millions, except per-share amounts)				
Assets					
Current assets	\$ 2,501	\$ 1,296	\$ 1,245	\$ 1,577	\$ 1,531
Property and equipment, net	2,825	2,542	2,608	2,582	2,557
Timber, timberlands, and timber deposits	331	329	322	291	295
Goodwill	1,107	401	385	397	480
Other	612	379	374	420	275
	\$ 7,376	\$ 4,947	\$ 4,934	\$ 5,267	\$ 5,138
Liabilities and shareholders' equity					
Current liabilities	\$ 1,977	\$ 1,054	\$ 1,266	\$ 1,014	\$ 1,125
Long-term debt, less current portion	2,000	1,387	1,063	1,715	1,585
Adjustable conversion-rate equity security units	173	173	173	—	—
Guarantee of ESOP debt	19	51	81	108	133
Other	863	882	773	664	550
Minority interest	20	—	—	9	131
Shareholders' equity	2,324	1,400	1,578	1,757	1,614
	\$ 7,376	\$ 4,947	\$ 4,934	\$ 5,267	\$ 5,138
Net sales	\$ 8,245	\$ 7,412	\$ 7,422	\$ 7,807	\$ 7,148
Net income (loss) before cumulative effect of accounting changes	\$ 17	\$ 11	\$ (43)	\$ 179	\$ 200
Cumulative effect of accounting changes, net of income tax	(9)	—	—	—	—
Net income (loss)	\$ 8	\$ 11	\$ (43)	\$ 179	\$ 200
Net income (loss) per common share					
Basic before cumulative effect of accounting changes	\$.07	\$ (.03)	\$ (.96)	\$ 2.89	\$ 3.27
Cumulative effect of accounting changes, net of income tax	(.15)	—	—	—	—
Basic(f)	\$ (.08)	\$ (.03)	\$ (.96)	\$ 2.89	\$ 3.27

Net income (loss) per common share

Diluted before cumulative effect of accounting changes	\$.07	\$	(.03)	\$	(.96)	\$	2.73	\$	3.06
Cumulative effect of accounting changes, net of income tax		(.15)		—		—		—		—
Diluted(f)	\$	(.08)	\$	(.03)	\$	(.96)	\$	2.73	\$	3.06
Cash dividends declared per common share	\$..60	\$..60	\$..60	\$..60	\$..60

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- (a) 2003 included a pretax charge of \$10.1 million for employee-related costs incurred in connection with the 2003 cost-reduction program.
- 2003 included a net \$2.9 million one-time tax benefit related to a favorable tax ruling, net of changes in other tax items.
- 2003 included a \$14.7 million pretax charge for the write-down of impaired assets at our plywood and lumber operations in Yakima, Washington.
- 2003 included income from the OfficeMax operations for the period from December 10, 2003, through December 27, 2003, and costs, including incremental interest expense, directly related to the acquisition. The net effect of these items reduced income \$4.1 million before taxes, or \$2.5 million after taxes.
- (b) 2002 included a pretax charge of \$23.6 million to record the sale of all stock of our wholly owned subsidiary that held our investment in IdentityNow. We also recorded \$27.6 million of tax benefits associated with this sale and our 2001 write-down of our equity investment (see c).
- (c) 2001 included a pretax charge of \$54.0 million for the closure of our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, and a \$4.9 million charge for the write-off of our assets in Chile.
- 2001 included a pretax charge of \$10.9 million to accrue for a one-time liability related to postretirement benefits for our Northwest hourly paperworkers.
- 2001 included a pretax charge of \$54.3 million and \$4.6 million of tax benefits for the write-down to fair value of an equity-method investment.
- 2001 included \$5.0 million of pretax income for the reversal of unneeded reserves for potential claims rising from the sale in 2000 of our European office products operations.
- (d) 2000 included a pretax gain of \$98.6 million on the sale of our European office products operations.
- (e) 1999 included a pretax gain of \$47.0 million for the sale of 56,000 acres of timberland in central Washington.
- 1999 included pretax gains of \$35.5 million, \$4.0 million, \$2.3 million, and \$0.4 million for the reversal of previously recorded restructuring charges in our Boise Building Solutions; Boise Office Solutions, Boise Paper Solutions; and Corporate and Other segments.
- 1999 included a pretax loss of \$4.4 million related to early retirements in our Corporate and Other segment.
- (f) The computation of diluted net loss per common share was antidilutive in the years 2003, 2002, and 2001; therefore, the amounts reported for basic and diluted loss per share are the same.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion, including the Summary and Outlook, contains statements about our future financial performance. These statements are only predictions. Our actual results may differ materially from these predictions. In evaluating these statements, you should review the section of this report entitled "Cautionary and Forward-Looking Statements."

Summary and Outlook

The year 2003 marked a significant change at Boise. We sharply accelerated our strategy to grow our distribution channels by acquiring OfficeMax, Inc., a \$5 billion (sales) office products retailer. And we announced our intent to evaluate strategic alternatives for our paper and building products businesses.

Financial Performance

In 2003, sales grew 11% to \$8.2 billion. Net income was \$8.3 million, or a loss of 8 cents per diluted share, compared with net income of \$11.3 million, or a loss of 3 cents per diluted share, in 2002. In 2003, net income included a \$10.1 million pretax charge for the 2003 cost-reduction program; a \$2.9 million one-time tax benefit related to a favorable tax ruling; a \$14.7 million pretax charge for the write-down of impaired assets at our plywood and lumber operations in Yakima,

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Washington; and the effects of the OfficeMax acquisition. In 2002, net income included a loss for the sale of the stock of our wholly owned subsidiary that held our investment in IdentityNow, net of tax effects. Before these items, our 2003 financial performance improved over last year. Boise Building Solutions' sharply stronger financial results before these items drove the improved performance of the company overall. Before these items, operating income for Boise Office Solutions was similar to 2002 results, while Boise Paper Solutions posted a loss for the year, down from its performance in 2002.

Virtually all of the improvement in Boise's 2003 results, before the items described above, occurred in the second half of the year. During the first half, continued economic weakness, higher pension costs, higher energy costs, and business disruptions from severe winter weather in the eastern United States negatively affected our financial results. In response to these conditions, we announced in March measures to reduce 2003 operating costs by approximately \$45 million, net of severance costs, and to hold capital spending to approximately \$245 million, before acquisitions. We reduced overall costs by freezing salaries, severely restricting hiring, reducing discretionary spending at all levels of the company, and eliminating approximately 700 job positions. Because of these cost controls, our general and administrative expenses, as a percent of sales, decreased in 2003, compared with 2002, in spite of higher pension, healthcare, and benefit expenses.

While some of these negative factors remained true throughout 2003, other more positive trends led to much stronger performance in Boise Building Solutions in the second half. Continued strong housing starts, low interest rates, and pent-up demand following weather-related business disruptions in the first

half combined to generate very strong building products markets in the third and fourth quarters. Prices for our major grades of structural panels reached record levels. Delivered-log costs also declined for the year. Sales volume for our building materials distribution business grew, reaching record levels. Sales volume for our engineered wood products also increased, but margins were hampered by high prices for raw materials.

Due to continued weakness in the paper industry in 2003, weighted average prices for the grades of paper produced by Boise showed little improvement over 2002's low levels. Despite an increase in the volume of office paper sold through Boise Office Solutions, Boise Paper Solutions sales volume declined because of increased market-related curtailment, compared with 2002. In addition, unit manufacturing costs, especially chemical and fiber costs, increased from year-earlier levels.

Boise Office Solutions experienced a gradual recovery during 2003 from the U.S. economic downturn and the resulting loss of white-collar jobs. Sales for locations operating in both 2003 and 2002 improved slightly, but margins continued to be under pressure due to intense industry competition.

Acquisition of OfficeMax

On December 9, 2003, we acquired OfficeMax, Inc. We paid OfficeMax shareholders \$1.3 billion for the acquisition, paying 60% of the purchase price in Boise common stock and 40% in cash. The acquisition more than doubled the size of Boise Office Solutions to approximately \$8.6 billion (pro forma 2003 sales). With the acquisition, office products distribution now generates approximately two-thirds of total company sales.

The acquisition enhances Boise Office Solutions' competitive position by allowing it to achieve competitive purchasing scale, serve all customer segments through all channels, and significantly improve its cost structure.

We also expect to achieve from the OfficeMax acquisition annual synergy benefits of \$160 million by 2006, as outlined below:

	Annualized Savings/ Margin Improvement
	(millions)
Boise Office Solutions	
Purchasing leverage	\$ 60
Elimination of duplicate facilities and administrative functions	40
Shared marketing functions and OfficeMax brand leverage	30
Boise Paper Solutions	
Increased paper sales to Boise Office Solutions	
Productivity and efficiency enhancements	30
	\$ 160

Boise expects to achieve in 2004 \$100 million of the \$160 million of synergies claimed as a result of the acquisition, offset in part by approximately \$48 million of integration and related costs.

Strategic Alternatives

Given the scale of the OfficeMax acquisition, we announced in July 2003 that we would undertake a review of the strategic direction of the company as a whole by exploring strategic alternatives for our paper and building products businesses. We retained Goldman, Sachs & Co. to assist in evaluating and executing potential transactions. We are considering restructurings, divestitures, spinoffs, and/or other business combinations as well as the possibility of making no changes at all. We expect this process, which began in December 2003, to take 12 to 18 months. Cash generated by potential transactions, if any, will be used to pay down debt.

2004 Outlook

Setting aside potential impacts of our strategic review, Boise's sales and income should increase substantially in 2004, primarily as a result of the OfficeMax acquisition.

With the acquisition of OfficeMax, Boise Office Solutions should more than double sales and operating income should increase significantly in 2004, relative to 2003. Assuming that the U.S. economy continues to grow and white-collar employment rises as anticipated, same-location sales growth should continue to be positive. However, operating margins will be lower in 2004 than in 2003 as we integrate the lower-margin retail business into our operations. Progress by Boise Office Solutions in achieving synergies will be aided by closures of 45 OfficeMax retail stores by the end of second quarter 2004, rationalization of U.S. delivery warehouses from 59 at year-end 2003 to 25 to 30 by 2006, and consolidation of U.S. customer service centers and outbound sales centers from eight to six, by 2005.

We expect another good year for Boise Building Solutions in 2004. Housing starts have continued to be strong in recent months, and interest rates are low. Panel and lumber prices in January 2004 were well above January 2003 levels. These factors suggest continuing strong demand for wood products, although the timing and strength of the 2004 building season are difficult to predict. We expect to continue to grow our building materials distribution business, which surpassed \$2 billion in sales in 2003, and our engineered wood products business, which likewise

grew rapidly last year. However, unit sales volumes in our building materials manufacturing business should decline in 2004 due to the reduction in plywood and lumber capacity that resulted from the sale of our Yakima, Washington, facilities in February 2004.

The very difficult year Boise Paper Solutions experienced in 2003 should be a cyclical low point. We anticipate that a cyclical recovery will begin this year. White-collar employment should increase, which will lead to improved office paper demand, and a weak U.S. dollar should discourage paper imports. Over the course of the year, we expect Boise Paper Solutions to return to posting positive quarterly operating income. Its performance in 2004 will be aided by a significant increase in Boise office papers sold through Boise Office Solutions. The increase from 568,000 tons in 2003 to approximately 650,000 tons in 2004 will come mostly from selling Boise office papers through the acquired OfficeMax stores. In addition, the business plans to further grow its production of value-added uncoated free sheet grades, particularly label, release, and security papers.

Acquisition of OfficeMax

On December 9, 2003, we completed our acquisition of OfficeMax, Inc. OfficeMax is now a subsidiary of Boise Cascade Corporation, and the results of OfficeMax operations after December 9, 2003, are included in our consolidated financial statements. OfficeMax is a retail distributor of office supplies and paper, technology products, and office furniture. Our OfficeMax superstores feature CopyMax® and FurnitureMax® in-store modules devoted to print-for-pay services and office furniture. OfficeMax has operations in the United States, Puerto Rico, the U.S. Virgin Islands, and a 51%-owned joint venture in Mexico.

Growing our distribution businesses has been a part of our long-term strategy for many years. The acquisition of OfficeMax is a major step in advancing that strategy. The acquisition more than doubles the size of our office products business. Combining OfficeMax's retail expertise and strong brand with our contract office products segment's strength in serving contract customers will allow the combined office products business to better serve our customers across all distribution channels, meeting the needs of every market segment. The acquisition creates opportunities for synergies that will come from offering more products and services across more customer segments, purchasing leverage from increased scale, and reduced costs in logistics, marketing, and administration.

The aggregate consideration paid for the acquisition was as follows:

	(millions)
Fair value of Boise common stock issued	\$ 808.2
Cash consideration for OfficeMax common shares exchanged	486.7
Transaction costs	20.0
	<hr/>
	1,314.9
Debt assumed by Boise	81.6
	<hr/>
	\$ 1,396.5
	<hr/>

We paid OfficeMax shareholders \$1.3 billion for the acquisition, paying 60% of the purchase price in Boise common stock and 40% in cash. OfficeMax shareholders had the opportunity to elect to receive cash or stock for their OfficeMax shares. Each shareholder's election was subject to proration, depending on the elections of all OfficeMax shareholders. As a result of this proration, OfficeMax shareholders electing Boise stock received approximately .230419 share of Boise stock and \$3.1746 in cash for each of their OfficeMax shares. Fractional shares were paid in cash. OfficeMax shareholders electing cash or who had no consideration preference, as well as those shareholders who made no effective election, received \$9.333 in cash for each of their OfficeMax

shares. After the proration, the \$1.3 billion paid to OfficeMax shareholders consisted of \$486.7 million in cash and the issuance of 27.3 million of Boise common shares valued at \$808.2 million. The value of the common shares issued was determined based on the average market price of our common shares over a ten-day trading period before the acquisition closed on December 9, 2003.

Pro Forma Financial Information

The following table summarizes unaudited pro forma financial information assuming the OfficeMax acquisition had occurred on January 1, 2003 and 2002. OfficeMax's fiscal year ended on the Saturday prior to the last Wednesday in January. The unaudited pro forma financial information uses OfficeMax data for the months corresponding to Boise's December 31 year-end. This unaudited pro forma financial information does not necessarily represent what would have occurred if the transaction had taken place on the dates presented and should not be taken as representative of our future consolidated results of operations or financial position. We have not finalized our integration plans. Accordingly, this pro forma information does not include all costs related to the integration. When the costs are determined, they will either increase the amount of goodwill recorded or decrease net income, depending on the nature of the costs. We also expect to realize operating synergies. Synergies will come from offering more products and services across more customer segments, purchasing leverage from increased scale, and reduced costs in logistics, marketing, and administration. The pro forma information does not reflect these potential expenses and synergies.

	2003		2002
	(millions)		
Sales	\$ 12,864.8	\$	12,185.7
Net income (loss) before cumulative effect of accounting changes	\$ 2.3	\$	(53.2)

Cumulative effect of accounting changes, net of income tax	(8.8)	—
Net loss	\$ (6.5)	\$ (53.2)
Net loss per common share		
Basic and diluted before cumulative effect of accounting changes	\$ (.13)	\$ (.78)
Cumulative effect of accounting changes	(.10)	—
Basic and diluted	\$ (.23)	\$ (.78)

Facility Closures

Prior to our acquisition of OfficeMax, OfficeMax had identified and closed underperforming facilities. As part of our purchase price allocation, we recorded \$58.7 million of reserves for the estimated fair value of future liabilities associated with these closures. We recorded \$44.6 million in "Other long-term liabilities" and \$14.1 million in "Accrued liabilities, other" in our Consolidated Balance Sheet. These reserves related primarily to future lease termination costs, net of estimated sublease income.

In addition to these store closures and in connection with the OfficeMax acquisition, we reviewed the stores we acquired and identified 45 facilities that are no longer strategically or economically viable. We expect to close these stores by the end of second quarter 2004, eliminating approximately 1,100 employee positions. Approximately 500 people will be offered transfers to other stores. In identifying stores to be closed, we evaluated their market and financial performance and lease terms. In the store closing analysis, we considered several factors, including

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historical and projected operating results, anticipated impact of current and future competition, future lease liability and real estate value, size, and capital spending requirements.

In accordance with the provisions of Emerging Issues Task Force (EITF) 95-3, Recognition of Liabilities in Connection With a Purchase Business Combination, we recorded \$53.7 million of store closure reserves in "Other long-term liabilities" and \$15.7 million in "Accrued liabilities, other." These reserves included \$67.5 million of lease termination costs, net of estimated sublease income, and \$1.9 million of other closure costs, primarily severance. These charges were accounted for as exit activities in connection with the acquisition, and we did not recognize a charge to income in our Consolidated Statement of Income. Most of the cash expenditures for these closed stores will be made over the remaining lives of the operating leases, which range from one month to 13 years.

We have not completed our integration plans for the acquired business. We have one year from the purchase date to develop our integration plans and adjust for changes in estimates of the fair value of assets acquired and liabilities assumed. We are evaluating the combined office products business to determine what opportunities for additional consolidation of operations may be appropriate. For example, we are developing plans for the rationalization of U.S. delivery warehouses from 59 at year-end 2003 to 25 to 30 by 2006 and consolidation of U.S. customer service centers and outbound sales centers from eight to six, by 2005. When the costs are determined, they will either increase the amount of goodwill recorded or decrease net income, depending on the nature of the costs. We will record the costs of additional closures in 2004.

Segment Discussion

We have historically reported our business results using four reportable segments: Boise Office Solutions, Boise Building Solutions, Boise Paper Solutions, and Corporate and Other. In December 2003, we acquired OfficeMax, Inc. After this acquisition in Boise Office Solutions, our office products business, we began reporting Boise Office Solutions as two separate reportable segments, Boise Office Solutions, Contract, and Boise Office Solutions, Retail. Material increases in balance sheet items, such as inventories, goodwill, accounts payable, and debt, are primarily due to this acquisition.

Boise Office Solutions, Contract, markets and sells office supplies and paper, technology products, and office furniture through field salespeople, catalogs, the Internet, and stores. Boise Office Solutions, Retail, markets and sells office supplies and paper, technology products, and office furniture through office supply superstores. These superstores feature CopyMax® and FurnitureMax® in-store modules devoted to print-for-pay services and office furniture. Boise Building Solutions manufactures, markets, and distributes various products that are used for construction, while Boise Paper Solutions manufactures, markets, and distributes uncoated free sheet papers, containerboard, corrugated containers, newsprint, and market pulp. Corporate and Other includes support staff services and related assets and liabilities. The segments' profits and losses are measured on operating profits before interest expense, income taxes, minority interest, extraordinary items, and cumulative effect of accounting changes.

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Results of Operations, Consolidated

	2003	2002	2001
Sales	\$ 8.2 billion	\$ 7.4 billion	\$ 7.4 billion
Income (loss) before cumulative effect of accounting changes	\$ 17.1 million	\$ 11.3 million	\$ (42.5) million
Cumulative effect of accounting changes, net of income tax	\$ (8.8) million	\$ —	\$ —
Net income (loss)	\$ 8.3 million	\$ 11.3 million	\$ (42.5) million
Diluted income (loss) per common share			

Diluted before cumulative effect of accounting changes	\$.07	\$(.03)	\$(.96)
	(.15)	—	—
Cumulative effect of accounting changes, net of income tax			
	\$(.08)	\$(.03)	\$(.96)
Diluted			
	(percentage of sales)		
Materials, labor, and other operating expenses	80.7%	81.1%	80.7%
Selling and distribution expenses	11.5%	10.6%	10.6%
General and administrative expenses	1.9%	2.1%	1.8%

Operating Results

2003 Compared With 2002

Total sales in 2003 increased \$0.8 billion, or 11%. The increase in sales resulted from \$0.3 billion of sales from the OfficeMax retail business; a \$0.2 billion increase in sales in our contract office products segment, which included 17 days of sales from the OfficeMax contract business; and an additional \$0.4 billion of sales by our Boise Building Solutions segment, offset by a slight decline in Boise Paper Solutions sales. Total sales and same-location sales in our contract office products segment increased 6% and 5% from 2002 levels. Excluding the sales contributed by the OfficeMax contract business and the effect of favorable foreign exchange rates, same-location sales were up 1%. Boise Building Solutions sales increased 16% because of higher structural panel prices, increased building materials distribution sales (due to increased commodity prices and volume), and increased engineered wood products sales (due primarily to increased volume). Boise Paper Solutions sales decreased, primarily because of a decrease in sales volume. For more information about our segment results, see the discussion of each segment below.

In 2003, materials, labor, and other operating expenses decreased 0.4% as a percentage of sales, compared with 2002. Effective January 1, 2003, we adopted an accounting change for vendor allowances to comply with the guidelines issued by the Financial Accounting Standards Board's Emerging Issues Task Force (EITF) 02-16, Accounting by a Customer (Including a Reseller) for Certain Consideration Received From a Vendor. Under EITF 02-16, consideration received from a vendor is presumed to be a reduction of the cost of the vendor's products or services, unless it is for a specific incremental cost to sell the product. As a result, approximately \$45 million of vendor allowances reduced "Materials, labor, and other operating expenses" that previously would have been recognized primarily as a reduction of "Selling and distribution expenses." In accordance with the provisions of EITF 02-16, prior-period financial statements have not been reclassified to conform with the current year's presentation.

Before the accounting change and excluding the effects of the OfficeMax operations, materials, labor, and other operating expenses as a percentage of sales increased slightly because of lower sales and increased unit manufacturing costs in Boise Paper Solutions, partially offset by favorable wood costs in Boise Building Solutions.

Selling and distribution expenses increased 0.9% as a percentage of sales in 2003, compared with 2002. Before the accounting change and excluding the effects of the OfficeMax operations, selling and distribution expenses increased only slightly, primarily due to higher pension, healthcare, and benefit expenses.

Due to cost controls, general and administrative expenses decreased 0.2% as a percent of sales in spite of higher pension, healthcare, and benefit expenses.

"Other (income) expense, net" increased to \$35.8 million in 2003 from \$30.8 million in 2002. The year ended December 31, 2002, included a \$23.6 million pretax loss for the sale of the stock of our wholly owned subsidiary that held our investment in IdentityNow and other miscellaneous income and expense items. For more information, see Note 4, Other (Income) Expense, Net, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

In 2003, "Other (income) expense, net" included a \$14.7 million pretax charge for the write-down of impaired assets at our plywood and lumber operations in Yakima, Washington (for more information, see the Boise Building Solutions section of this Management's Discussion and Analysis of Financial Condition and Results of Operations) and \$4.7 million of acquisition costs incurred in connection with the OfficeMax acquisition. In addition, 2003 "Other (income) expense, net" included a \$10.1 million pretax charge for employee-related costs incurred in connection with our 2003 cost-reduction program. As part of this program, we reduced 2003 operating costs, net of severance costs. We took these actions because of higher pension costs, higher energy costs, business disruptions from severe winter weather in the eastern United States, and global political uncertainty. We reduced operating costs by freezing salaries, restricting hiring, reducing discretionary spending at all levels of the company, and eliminating approximately 700 positions. We are eliminating these positions by terminating approximately 550 employees and leaving vacant positions unfilled. At December 31, 2003, we had terminated approximately 465 employees.

Under our severance policy, we recorded a pretax charge of \$10.1 million for employee-related costs in "Other (income) expense, net" in the Consolidated Statement of Income. We recorded these costs in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 112, Employers' Accounting for Postemployment Benefits. We recorded \$9.2 million in the Boise Office Solutions, Contract, segment; \$0.2 million in the Boise Paper Solutions segment; and \$0.7 million in our Corporate and Other segment. Employee-related costs are primarily for severance payments, most of which were paid in 2003, with the remainder to be paid in 2004. This item decreased net income \$6.1 million for the year ended December 31, 2003.

The reserve liability for the cost-reduction program is included in "Accrued liabilities, other" in the Consolidated Balance Sheet. Reserve liability activity related to the 2003 charge is as follows:

	Employee-Related Costs	
	(millions)	
2003 expense recorded	\$	10.1

Balance at December 31, 2003	\$	2.3
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Equity in net income (loss) of affiliates was \$8.8 million and \$(2.4) million in 2003 and 2002, respectively. The variance was due to increased equity in earnings of Voyageur Panel, in which we have a 47% interest and for which we account under the equity method. The increased equity in earnings of Voyageur Panel resulted from oriented strand board (OSB) prices that were 67% higher, on average, in 2003 than in 2002. We also recognized no losses in 2003 from our investment in IdentityNow, which we sold in May 2002.

Interest expense was \$132.5 million in 2003 and \$131.7 million in 2002. The variance was due to incremental interest expense directly related to additional borrowings in the fourth quarter to provide cash for the OfficeMax acquisition. Excluding the incremental interest expense directly related to the OfficeMax acquisition, interest expense declined year over year, primarily due to lower 2003 interest rates on our variable-rate debt.

Our effective tax provision rate for the year ended December 31, 2003, was 11.5%, compared with an effective tax benefit rate of 192.8% for the year ended December 31, 2002. In 2003, we recorded \$5.7 million of tax benefits related to the \$14.7 million pretax charge for the write-down of impaired assets at our plywood and lumber operations in Yakima, Washington; \$4.0 million of tax benefits related to the \$10.1 million pretax charge for the 2003 cost-reduction program; and a \$2.9 million gain, which included a one-time tax benefit related to a favorable tax ruling, net of changes in other tax items. In 2002, we recorded a \$23.6 million pretax loss for the sale of the stock of our wholly owned subsidiary that held our investment in IdentityNow and \$27.6 million of tax benefits associated with this sale and our previous write-down. Before recording these items and before the impact of the OfficeMax acquisition, our estimated tax provision rates for the years ended December 31, 2003 and 2002, were 34% and 36%. The difference between the estimated tax provision rates before these items was due to the sensitivity of the rate to changing income levels and the mix of domestic and foreign sources of income.

In 2003, the \$8.8 million recorded in "Cumulative effect of accounting changes, net of income tax" consisted of an after-tax charge of \$4.1 million, or 7 cents per share, for the adoption of SFAS No. 143, Accounting for Asset Retirement Obligations, which affects the way we account for landfill closure costs. This statement requires us to record an asset and a liability (discounted) for estimated closure and closed-site monitoring costs and to depreciate the asset over the landfill's expected useful life. Previously, we accrued for the closure costs over the life of the landfill and expensed monitoring costs as incurred. We also recorded an after-tax charge of \$4.7 million, or 8 cents per share, for the adoption of EITF 02-16. EITF 02-16 requires that vendor allowances reside in inventory with the product and be recognized when the product is sold, changing the timing of our recognition of these items and creating a one-time, noncash, cumulative-effect adjustment.

2002 Compared With 2001

Total sales in 2002 were essentially flat with 2001 sales. Boise Building Solutions sales increased 3%, primarily because of stronger sales in engineered wood products and building materials distribution, while Boise Paper Solutions sales decreased 3% because of lower product prices. Boise Office Solutions sales and same-location sales were flat.

In 2002, materials, labor, and other operating expenses increased as a percentage of sales, compared with 2001, because of increased sales of lower-margin products in Boise Office Solutions and lower paper prices in Boise Paper Solutions, partially offset by lower manufacturing costs in our paper business and favorable wood and manufacturing costs in Boise Building Solutions. Selling and distribution expenses as a percentage of sales were flat in 2002, compared with 2001, due primarily to cost-control and productivity improvements in Boise Office Solutions. In 2002, general and administrative expenses increased as a percentage of sales, compared with 2001, due to higher compensation and benefits costs. In accordance with new accounting standards, we

stopped amortizing goodwill January 1, 2002. Amortization of goodwill in 2001 was \$8.9 million after taxes.

The increase in interest expense was attributable to \$13.2 million of distributions on our adjustable conversion-rate equity security units in 2002, compared with \$0.9 million in 2001. Before the distributions, interest expense declined due to decreases in our debt levels during the year and, to a lesser degree, changes in interest rates.

Our effective tax benefit rate in 2002 was 192.8%, compared with an effective tax benefit rate of 12.1% in 2001. These unusual tax benefit rates were due to the timing of the recognition of tax benefits associated with the sale and write-down of our investment in IdentityNow. Under income tax accounting rules, in 2001, we were able to recognize a tax benefit of only \$4.6 million related to our \$54.3 million write-down in that year. In contrast, in 2002, we were able to recognize a tax benefit of \$27.6 million associated with the sale of our remaining investment in IdentityNow and our previous write-down. In addition, in 2001, we recorded a pretax charge of \$54.0 million related to the permanent closure of our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho; a \$10.9 million pretax charge to accrue for a one-time liability related to postretirement benefits for our Northwest hourly paperworkers; a \$4.9 million charge for the write-off of assets in Chile; and \$5.0 million of pretax income for the reversal of unneeded reserves for potential claims rising from the sale in 2000 of our European office products operations. Before these items, our effective tax provision rates were about 36% and 34% for 2002 and 2001. The increase in the 2002 tax provision rate, compared with the 2001 tax provision rate, was due primarily to our charitable donation in 2001 of surplus property in Vancouver, Washington, for which we received a tax benefit. Changes in our tax rates were also due to lower income levels and the mix of domestic and foreign sources of income.

Boise Office Solutions, Contract

	2003	2002	2001
Sales	\$ 3.7 billion	\$ 3.5 billion	\$ 3.5 billion
Segment income	\$ 109.4 million	\$ 123.0 million	\$ 151.7 million

(billions)

Sales by Product Line

Office supplies and paper	\$2.2	\$2.2	\$2.1
Technology products	1.1	1.0	1.0
Office furniture	0.4	0.3	0.4

Sales by Geography

United States	\$2.8	\$2.7	\$2.7
International	0.9	0.8	0.8
Sales growth	6%	0%	(4)%
Same-location sales growth	5%	0%	(2)%

(percentage of sales)

Gross profit margin	24.3%	23.1%	24.2%
Operating expenses	21.4%	19.7%	19.9%
Operating profit	2.9%	3.5%	4.3%

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Operating Results**2003 Compared With 2002**

In 2003, Boise Office Solutions, Contract, included the results of the OfficeMax contract business from December 10, 2003, to December 27, 2003, or 17 selling days. The OfficeMax contract business includes sales generated by OfficeMax's field salespeople, catalogs, and E-commerce business.

Total sales and same-location sales increased 6% and 5% in 2003, compared with 2002. Within product categories, the greatest sales growth occurred in office furniture and technology products, up 12% and 10%, compared with a year ago. These categories represent approximately 40% of overall sales. Sales of office supplies and paper, our largest category, grew 2%.

Excluding the benefit from favorable foreign exchange rates and the sales from the OfficeMax contract business, total sales and same-location sales increased 1%. When excluding the same items, the greatest sales growth within product categories occurred in office furniture and technology products, up 8% and 7%, while office supplies and paper experienced a modest decline, compared with a year ago. The shift in mix toward furniture and technology products was evident in each quarter of 2003 and is reflective of an improving economy, focused sales efforts, and in the case of technology products, changing buying patterns of our customers.

Boise Office Solutions, Contract, sold 568,000 tons of Boise office paper in 2003, a 4% increase over 2002 volume. The combined Boise Office Solutions, which comprises our contract and retail segments, expects to sell approximately 650,000 tons of Boise office paper in 2004.

E-commerce sales in our contract office products segment increased 30% over 2002 and represented 42% of the segment's worldwide sales. E-commerce transactions resulted in nearly \$1.6 billion of revenue for Boise Office Solutions, Contract, in 2003.

In 2003, our gross margin increased 1.2%, compared with 2002. However, the 2003 gross margin reflects the results of the OfficeMax contract business and the effect of the vendor allowance accounting change for EITF 02-16 (discussed above). Excluding the margin related to the OfficeMax contract business and the effect of adopting EITF 02-16, our gross margin was 23.1%, the same as in 2002.

In 2003, our operating expenses were 21.4% of sales, compared with 19.7% in 2002. Operating expenses for the contract office products segment in 2003 included the expenses of the OfficeMax contract business, including integration costs; \$42.6 million for the vendor allowance classification change; and \$9.2 million of employee-related costs for our 2003 cost-reduction program. Before these items, our operating expenses increased only 0.2%, compared with 2002, due primarily to higher pension, healthcare, and benefit expenses.

In 2003, segment income decreased 11%, compared with 2002. Excluding the results of the OfficeMax contract business, integration costs, and the employee-related charge for our cost-reduction program, segment income declined 1%. The decline was primarily attributable to higher pension, healthcare, and benefit expenses.

2002 Compared With 2001

Segment sales and same-location sales were essentially flat in 2002, primarily the result of the sluggish U.S. economy. Customers were more cost-conscious in their office products and furniture purchases, and widespread white-collar layoffs caused our customers to use fewer office products in 2002. Our contract office products business saw signs of the business beginning to gradually recover during the second half of the year, as quarterly same-location sales, compared with the prior year, were negative in the first half and turned positive in the second half of 2002.

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In 2002, segment income decreased from that reported in 2001, as did operating profit as a percentage of sales. Our gross profit margins decreased because sales of higher-margin furniture and office supplies decreased. Paper margins also narrowed in 2002, as the price we paid for paper increased more quickly than the price we charged our customers. Year over year, our operating expenses as a percentage of net sales decreased, primarily as a result of cost controls and

productivity improvements that more than offset increased pension and employee medical expenses. Operating expenses were also reduced, to a lesser extent, by eliminating amortization of goodwill January 1, 2002. Amortization of goodwill totaled approximately \$9 million, before taxes, for this segment in 2001.

Our contract office products business sold 544,000 tons of Boise office papers in 2002, an increase of 16% over 2001. We also continued to build our sales to U.S. medium-sized businesses (offices with approximately 20 to 100 employees); sales increased 13% from 2001 to 2002. Gross profit margins on sales to this sector are generally better than those on sales to larger corporate and government offices. Boise Office Solutions also increased U.S. E-commerce sales 33%. E-commerce technology provides convenience for our customers while reducing our cost of operations.

Boise acquired a contract furniture dealer in Orange County, California, in 2002 and a contract furniture dealer based in Illinois in 2001. These acquisitions increased Boise's presence as a full-service office furniture dealer but were not material to our financial position or results of operations.

Boise Office Solutions, Retail

	2003	
Sales	\$	283.2 million
Segment income	\$	6.1 million
		(millions)
Sales by Product Line		
Office supplies and paper	\$	91.6
Technology products		161.1
Office furniture		30.5
Sales by Geography		
United States(a)	\$	283.2
International(b)		—
		(percentage of sales)
Gross profit margin		24.5%
Operating expenses		22.4%
Operating profit		2.2%

(a) Includes the sales of our operations in the United States, Puerto Rico, and the U.S. Virgin Islands.

(b) Our majority-owned subsidiary in Mexico is consolidated in our results of operations one month in arrears and is not included in our 2003 results.

Operating Results

Sales for our retail office products segment, which includes our office supply superstores, were \$283 million. This represents activity for a period of 17 selling days during the holiday season.

The gross profit margin for this segment was 24.5%. This gross profit margin takes into account the sales mix during the holiday selling season, which is skewed toward lower-margin technology merchandise. Our operating profit margin was 2.2% of sales, with operating income of \$6.1 million.

Boise Building Solutions

	2003		2002		2001	
Sales	\$	2.9 billion	\$	2.5 billion	\$	2.4 billion
Segment income (loss)	\$	95.4 million	\$	39.7 million	\$	(22.3) million
Sales Volumes						
Plywood (1,000 sq ft) (³ / ₈ " basis)		1,890,480		1,788,203		1,815,922
OSB (1,000 sq ft) (³ / ₈ " basis)(a)		432,396		416,686		388,761
Particleboard (1,000 sq ft) (³ / ₄ " basis)		152,621		189,223		198,737
Lumber (1,000 board feet)		364,054		395,281		398,475
LVL (100 cubic feet)		98,294		77,543		66,578
I-joists (1,000 equivalent lineal feet)		199,949		165,765		156,236
Engineered wood products (sales dollars)	\$	329.3 million	\$	274.1 million	\$	247.3 million
Building materials distribution (sales dollars)	\$	2,047.8 million	\$	1,696.1 million	\$	1,596.4 million
Average Net Selling Prices						
Plywood (1,000 sq ft) (³ / ₈ " basis)	\$	267	\$	229	\$	232
OSB (1,000 sq ft) (³ / ₈ " basis)		217		130		126
Particleboard (1,000 sq ft) (³ / ₄ " basis)		236		239		245
Lumber (1,000 board feet)		431		466		450
LVL (100 cubic feet)		1,463		1,483		1,504

(a) Represents 100% of the sales volume of Voyageur Panel, of which we own 47%.

Operating Results

2003 Compared With 2002

During the second half of 2003, our building products business enjoyed one of the strongest building seasons ever, following a slow start in the first half of 2003 due to wet weather. Boise Building Solutions sales grew 16% in 2003, compared with the previous year. Structural panel prices rose. Building materials distribution sales increased 21% due to strong pricing coupled with an 11% increase in physical sales volume. During 2003, about 21% of building materials distribution's lumber, panel, and engineered wood product sales were from products manufactured by Boise. Sales of engineered wood products (laminated veneer lumber, wood I-joists, and laminated beams) increased 20%, due to increased sales volume.

After a long, wet, and cold spring, especially in the eastern United States, the building season got underway late in the second quarter and held strong through the first two months of fourth quarter 2003. As a result of increased demand from housing construction, prices for our major grades of structural panels reached record levels. Relative to 2002, average plywood prices and sales volume increased 17% and 6%, respectively. In contrast, average prices and volumes for our

mix of lumber products, which is mostly ponderosa pine appearance and industrial grades, declined 8%. An unfavorable balance of supply and demand for pine lumber during the first half of the year pushed prices down until late in the third and fourth quarters, which delayed recovery in these grades until later in the year.

In December 2003, we recorded a \$14.7 million pretax charge for the write-down of impaired assets at our plywood and lumber operations in Yakima, Washington. We also recorded \$5.7 million of tax benefits associated with the write-down. The write-down resulted from our internal review of the operations and indications of current market value. We recorded the write-down in "Other (income) expense, net" and the tax benefits in "Income tax (provision) benefit" in the Consolidated Statement of Income. For the year ended December 31, 2003, the write-down decreased net income \$9.0 million.

In February 2004, we sold the Yakima operations, excluding timberlands. The impact of this sale was not material to our financial position or to our results of operations.

In 2001, we began construction of a new facility near Elma, Washington, to manufacture integrated wood-polymer building materials. The plant has had a very difficult start-up, in part due to the plant's unique manufacturing processes. While product quality has met our expectations, production has not reached anticipated levels. Compared with 2002, segment results included \$16.6 million of additional losses from operations. We recently announced that we would temporarily discontinue production at the facility to allow us to make the technical improvements necessary to increase production levels. We are not able to predict how long these improvements may take or at what time shipments of product will resume.

Voyageur Panel, a joint venture in Barwick, Ontario, Canada, has the capacity to produce 440 million square feet of OSB panels annually. We hold 47% of the equity. We have an agreement with Voyageur Panel under which we operate the plant and market its product. Our investment in this venture was \$44.2 million and \$35.5 million at December 31, 2003 and 2002. A Canadian forest products manufacturer and two insurance companies own the remaining equity interest.

We account for the joint venture under the equity method. Accordingly, segment results do not include the joint venture's sales but do include \$8.7 million of equity in earnings in 2003 and \$0.6 million and \$1.5 million of equity in losses in 2002 and 2001. At December 31, 2002, the debt of this affiliate, which was issued without recourse to us, totaled \$5.2 million. During 2003, Voyageur Panel paid the debt balance in full. The other shareholders have the right to require Voyageur Panel to buy their equity interests at fair market value. We have the right to buy any shares sold back to Voyageur Panel before they are sold to other investors. Together with the other shareholders, we are considering the potential sale of our interests in Voyageur Panel.

Segment income increased \$55.8 million in 2003, compared with 2002, due primarily to increased structural panel prices, increased building materials distribution sales, and favorable wood costs, offset by a pretax charge for the write-down of impaired assets at our plywood and lumber operations in Yakima, Washington, and additional losses from operations incurred at our integrated wood-polymer building materials facility.

2002 Compared With 2001

Sales increased 3% in 2002. A decline in panel sales was more than offset by sales growth of 11% in engineered wood products (laminated veneer lumber, wood I-joists, and laminated beams) and 6% in building materials distribution (due to an increase in physical sales volume). Plywood unit sales volumes and selling prices decreased 2% and 1%, respectively, while particleboard unit sales volumes and selling prices decreased 5% and 2%, respectively. These price declines resulted in part from excess market supply of plywood and decreased demand for particleboard in 2002,

compared with 2001. Plywood sales volumes declined due to the closure of our Idaho facilities in 2001. Oriented strand board unit sales volumes and selling prices increased 7% and 3%, respectively. Average prices for our mix of lumber products, which are mostly ponderosa pine appearance and industrial grades, increased 4% in 2002, while sales volumes decreased 1%. Consistent with the decline in plywood, lumber sales volumes declined due to the closure of our Idaho facilities.

Segment income increased \$62.0 million as reported, or \$3.1 million before accounting for the closure of our Idaho operations, from 2001 to 2002. The increase, before accounting for the closure, resulted from increased distribution sales discussed above and favorable wood and manufacturing costs. Segment income also included \$7.1 million of incremental business organization costs, including plant commissioning and start-up expenses, for our external siding plant.

Acquisitions

In October 2002, we purchased the assets of a building materials distribution operation in Riverside, California, for \$6.1 million. This acquisition marked our entrance into the southern California market area in this business but was not material to our financial position or results of operations.

2001 Restructuring Activities

In February 2001, we announced the permanent closure of our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, due to the significant decline in federal timber offered for sale. We completed these closures in second quarter 2001, and 373 positions were eliminated. In first quarter 2001, we recorded a pretax charge of \$54.0 million related to these closures. For the year ended December 31, 2001, sales for our Idaho operations were \$66.0 million, and our operating loss was \$5.8 million.

In addition, in first quarter 2001, we wrote off our investment in assets in Chile with a pretax charge of \$4.9 million. We recorded both of these charges in our Boise Building Solutions segment and in "Other (income) expense, net" in the Consolidated Statement of Loss for the year ended December 31, 2001.

We recorded asset write-downs for plant and equipment at the closed Idaho facilities and the write-off of our equity investment in and related receivables from a joint venture in Chile. Employee-related costs included pension curtailment costs arising from the shutdowns of the Idaho facilities and severance costs. We recorded other exit costs, including tear-down and environmental cleanup costs related to the Idaho facilities and reserves for contractual obligations with no future benefit. These restructuring reserve liabilities were included in "Accrued liabilities, other" in the Consolidated Balance Sheets. In 2003, we reclassified \$2.3 million of reserves established for environmental cleanup costs at the Idaho facilities to "Other long-term liabilities" in the Consolidated Balance Sheet. The remaining environmental cleanup is expected to take seven years, after which postclosing monitoring will be ongoing.

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Restructuring reserve liability account activity related to these 2001 charges is as follows:

	Asset Write- Downs	Employee- Related Costs	Other Exit Costs	Total
	(millions)			
2001 expense recorded	\$ 21.3	\$ 15.0	\$ 22.6	\$ 58.9
Assets written down	(21.3)	—	—	(21.3)
Pension liabilities recorded	—	(9.6)	—	(9.6)
Charges against reserve	—	(5.0)	(10.1)	(15.1)
Restructuring reserve at December 31, 2001	—	.4	12.5	12.9
Proceeds from sales of assets	—	—	1.5	1.5
Charges against reserve	—	(.4)	(7.4)	(7.8)
Restructuring reserve at December 31, 2002	—	—	6.6	6.6
Charges against reserve	—	—	(3.8)	(3.8)
Reclassified to other long-term liabilities	—	—	(2.3)	(2.3)
Reserves credited to income	—	—	(.5)	(.5)
Restructuring reserve at December 31, 2003	\$ —	\$ —	\$ —	\$ —

Boise Paper Solutions

	2003	2002	2001
Sales	\$ 1.9 billion	\$ 1.9 billion	\$ 1.9 billion
Segment income (loss)	\$ (13.9) million	\$ 38.6 million	\$ 70.7 million

(short tons)

Sales Volumes

Uncoated free sheet	1,396,000	1,425,000	1,386,000
Containerboard	650,000	654,000	644,000
Newsprint	416,000	406,000	395,000
Other	146,000	179,000	157,000
	2,608,000	2,664,000	2,582,000

(per short ton)

Average Net Selling Prices

Uncoated free sheet	\$ 721	\$ 722	\$ 742
Containerboard	337	343	374
Newsprint	397	363	476

Operating Results

2003 Compared With 2002

Sales declined 1% in 2003, primarily because weak demand led to a 2% decrease in sales volume. Sales volume decreased despite a 4% increase in the volume of Boise office paper sold through Boise Office Solutions. Weak demand throughout the year led to market-related curtailment of nearly 200,000 tons, up 38% from the amount taken in 2002. Most of the curtailment was taken in uncoated free sheet. Relative to a year earlier, average prices rose only 1%. Higher average newsprint prices were partially offset by lower containerboard prices.

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In 2003, we increased production of value-added papers on our smaller machines. The tonnage of value-added grades from these machines increased 5% to about 345,000 tons. Among our value-added grades, the volume of label, release, and specialty papers grew 23% in 2003 versus the year earlier. Value-added grades generally have higher unit costs than commodities but also have higher net sales prices and profit margins. Overall, the average net selling price of the value-added grades we sold in 2003 was \$181 per ton higher than the average net selling price of our uncoated commodity grades.

Segment results were lower than those of a year ago because of lower unit sales volumes, more market-related curtailment, and increased unit manufacturing costs. Total unit manufacturing costs increased 2%, compared with a year ago. In 2003, fiber costs rose 5%, and chemical unit costs increased 6%. Fixed unit costs were also up about 2%.

2002 Compared With 2001

Sales declined 3% in 2002, as average paper prices declined \$38 per ton, or 6%, compared with 2001. Uncoated free sheet prices declined 3%, containerboard prices declined 8%, and newsprint prices declined 24%. Low demand in a recessionary economy contributed to these price declines. Despite decreased demand, Boise Paper Solutions unit sales volume increased 3%. The increase was primarily the result of strong integration of our paper and office products businesses. In 2002, we sold 544,000 tons of our paper through Boise Office Solutions, an increase of 16% from 2001 to 2002. In 2002, about 38% of our total uncoated free sheet paper, including about 74% of our office papers, was sold through our office products business.

We also increased sales of value-added papers produced on our smaller machines. They were up 6% in 2002 to about 330,000 tons. Value-added grades produced on our smaller paper machines accounted for 23% of our uncoated free sheet sales volume in 2002. Overall, the average net selling price of the value-added grades we sold in 2002 was \$179 per ton higher than the average net selling price of our uncoated commodity grades.

Segment income decreased 45%, compared with 2001, due to lower paper prices, which were partially offset by increased unit sales volume and lower unit manufacturing costs. Unit manufacturing costs decreased 5% in 2002. The largest cost improvements resulted from falling energy, fiber, and chemical costs.

During 2002, we took approximately 140,000 tons of market-related curtailment and approximately 40,000 tons of downtime for capital projects and maintenance, compared with approximately 150,000 tons and 100,000 tons, respectively, in 2001, mostly in uncoated free sheet.

Liquidity and Capital Resources

We have funded our ongoing operations and growth initiatives primarily by using cash generated by our operations, borrowings under our existing credit facilities, and issuing new debt or equity securities. Given the scale of the OfficeMax acquisition, we have undertaken a review of the direction of the company as a whole by exploring strategic alternatives for our paper and building products businesses. We will consider alternatives ranging from no change in our business mix to potential restructurings, divestitures, spinoffs, and/or other business combinations. We expect this process, which began late in 2003, to take 12 to 18 months.

As a result of the acquisition of OfficeMax, Standard and Poor's Rating Services and Moody's Investors Services, Inc. lowered our credit ratings to BB and Ba2, respectively, which are both below investment grade. These downgrades could affect our cost of and ability to obtain new financing. We have been successful, however, in accessing the credit markets to finance the OfficeMax acquisition and for other general corporate purposes. Recent financings include

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\$300 million of 6.5% senior notes due in 2010, \$200 million of 7.0% senior notes due in 2013, and a \$150 million unsecured credit agreement. At December 31, 2003, we had unused borrowing capacity of \$309.5 million under our \$560 million revolving credit agreement, which expires in June 2005. These financings are described in more detail in the "Financing Activities" section that follows.

We intend to reduce our debt levels over time by applying any net cash flow from operations after capital spending and by applying proceeds from the sale of assets, if any. Short-term borrowings and the current portion of our long-term debt totaled \$88.2 million at December 31, 2003. In December 2004, we will receive \$172.5 million under the terms of our adjustable conversion-rate equity security units in exchange for the issuance of between 4.4 million and 5.4 million shares of our common stock. In 2005, scheduled long-term debt payments total \$602.0 million. Of this amount, \$210 million represents the amount outstanding at December 31, 2003, under our revolving credit agreement. We expect to enter into a new revolving credit agreement before the expiration of our current agreement. Scheduled long-term debt payments total \$214.8 million in 2006, including the \$172.5 million of debt associated with the adjustable conversion-rate equity security units.

We make both required and voluntary contributions to our noncontributory defined benefit pension plans. In 2003, we contributed \$84.5 million. We expect to contribute approximately \$80 million to \$120 million in both 2004 and 2005.

We expect to limit our capital spending to between \$340 million to \$360 million, excluding acquisitions, in 2004. This level of capital spending will provide for leasehold improvements, new stores, quality and efficiency projects, replacement projects, and ongoing environmental compliance.

Our ongoing cash requirements are expected to be funded through a combination of cash flow from operations, borrowings under our existing credit facilities, and possible sales of assets.

The sections that follow discuss in more detail our liquidity and capital resources.

Operating Activities

Our operating activities generated \$335.4 million, \$308.5 million, and \$407.6 million of positive cash flow in 2003, 2002, and 2001, respectively. In 2003, items included in net income provided \$399.8 million of cash, and unfavorable changes in working capital items used \$64.4 million of cash from operations. In 2002, items included in net income provided \$345.3 million of cash, and unfavorable changes in working capital items used \$36.8 million of cash from operations. Net income items provided \$382.7 million of cash in 2001, and favorable changes in working capital items provided \$24.9 million of cash from operations.

We have sold fractional ownership interests in a defined pool of trade accounts receivable. At December 31, 2003, \$250 million of sold accounts receivable were excluded from "Receivables" in the Consolidated Balance Sheet, compared with \$200 million excluded at December 31, 2002 and 2001. The increase at December 31, 2003, in sold accounts receivable of \$50 million over the amount at December 31, 2002, provided cash from operations in 2003.

Some of our U.S. employees are covered by noncontributory defined benefit pension plans. The assets of the pension plans are invested primarily in common stocks, fixed-income securities, and cash equivalents. The market performance of these investments affects our recorded pension obligations, expense, and cash contributions. Pension expense in 2003 was about \$77.1 million, compared with \$30.4 million in 2002 and \$11.1 million in 2001. These are noncash charges in our consolidated financial statements. Plan contributions include required minimums and, in some years, additional discretionary amounts. In 2003, the required minimum contribution was

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\$26 million. During 2003, we made cash contributions to our pension plans totaling \$84.5 million, compared with \$48.0 million in 2002 and \$17.7 million in 2001. Congress is currently considering temporary pension funding relief to replace the temporary three-year pension funding relief legislation that expired on December 31, 2003. Under the expired legislation, companies were permitted to use 120% of the average 30-year treasury bond formula as opposed to the previous 105% ceiling. The House of Representatives passed a bill that would allow companies to use a funding discount rate based on an index of high-quality corporate bonds to be developed by the Treasury Department. The Senate has passed similar legislation. If the legislative efforts result in a discount rate that is similar to the previous temporary relief package, our required minimum contribution to our pension plans in 2004 is estimated to be \$55 million. However, if no legislative relief is passed and companies have to return to the 105% ceiling, our minimum contribution in 2004 would be approximately \$95 million. We expect to make contributions to the plans of at least the minimums required or, if legislative relief is passed, approximately \$80 million to \$120 million during 2004. We expect to make similar contributions in 2005, assuming some form of comparable pension relief legislation passes. Without pension relief legislation, and depending on interest rates, asset returns, and other factors, our minimum pension contribution in 2005 could be higher than that range. We anticipate having sufficient liquidity to meet our future pension requirements. For more information, see "Critical Accounting Estimates" in this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our ratio of current assets to current liabilities was 1.27:1 in 2003, compared with 1.23:1 in 2002.

Investment Activities

Our cash investing activities used \$684.3 million in 2003, \$278.6 million in 2002, and \$234.5 million in 2001, with cash outlays principally for assets acquired in business combinations (discussed below) and other capital expenditures. In all three years, these other capital expenditures primarily reflected the cost of facility improvements, facility and equipment modernization, energy and cost-saving projects, and environmental compliance.

In 2003, cash investing activities included \$432.6 million, net of cash acquired, for the acquisition of OfficeMax, Inc., a retail distributor of office supplies and paper, technology products, and office furniture. For information related to the acquisition, see the discussion under "Acquisition of OfficeMax" in this Management's Discussion and Analysis of Financial Condition and Results of Operations.

In 2002, investing activities included \$6.1 million for the acquisition of assets of a wholesale building products distribution and reload operation in Riverside, California, and \$1.1 million in cash for the acquisition of assets of a contract furniture company located in southern California.

In 2001, we began construction of a new facility near Elma, Washington, to manufacture integrated wood-polymer building materials. The plant has had a very difficult start-up, in part due to the plant's unique manufacturing processes. While product quality has met our expectations, production has not reached anticipated levels. We recently announced that we would temporarily discontinue production at the facility to allow us to make the technical improvements necessary to increase production levels. We are not able to predict how long these improvements may take or at what time shipments of product will resume. The total cost of this facility was approximately \$92 million. We spent \$44.3 million in 2001, \$37.7 million in 2002, and \$4.6 million in 2003. In 2001, investing activities also included about \$14 million to build a veneer and plywood manufacturing facility in Brazil and \$4.7 million of cash for one office products acquisition.

Our 2001 expenditures for timber and timberlands included \$26.1 million for the acquisition of approximately 54,000 acres of timberland in Alabama and Brazil. In 2001, we received the second

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payment from the sale of our European office products operation in September 2000. We used this \$159.6 million payment to reduce debt.

Noncash consideration included in capital spending consisted of the assumption of debt and recording of liabilities totaling \$81.6 million in 2003, \$2.8 million in 2002, and \$3.0 million in 2001. It also included \$808.2 million for the issuance of 27.3 million of Boise common shares to OfficeMax shareholders electing stock. Details of 2003 capital investment by segment are included in the table below:

2003 Capital Investment by Segment

	Acquisitions/ Expansion	Quality/ Efficiency(a)	Timber and Timberlands	Replacement, Environmental, and Other	Total
	(millions)				
Boise Office Solutions, Contract	\$ 149	\$ 10	\$ —	\$ 26	\$ 185
Boise Office Solutions, Retail	1,257	—	—	2	1,259
	1,406	10	—	28	1,444
Boise Building Solutions	18	3	4	31	56
Boise Paper Solutions	5	17	6	100	128
Corporate and Other	—	—	—	6	6
	\$ 1,429	\$ 30	\$ 10	\$ 165	\$ 1,634

(a) Quality and efficiency projects include quality improvements, modernization, energy, and cost-saving projects.

We expect our capital investments in 2004 to total between \$340 million and \$360 million, excluding acquisitions. Our capital spending in 2004 will be for leasehold improvements, new stores, quality and efficiency projects, replacement projects, and ongoing environmental compliance. During 2003, we spent \$12 million on environmental compliance. We expect to spend approximately \$13 million in 2004 for this purpose. See the section titled "Environmental" in this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Financing Activities

Our financing activities provided \$408.6 million in 2003 and used \$21.4 million in 2002 and \$179.2 million in 2001. Common and preferred dividend payments totaled \$48.9 million in 2003, \$49.5 million in 2002, and \$49.7 million in 2001. In all three years, our quarterly cash dividend was 15 cents per common share.

Additions to long-term debt in 2003 resulted primarily from our acquisition of OfficeMax. Additions included \$150 million under an unsecured credit agreement, \$300 million of 6.5% notes, \$200 million of 7.0% notes, \$50.0 million of 7.45% medium-term notes, and \$33.5 million for the sale-leaseback of equipment at our integrated wood-polymer building materials facility near Elma, Washington, that was accounted for as a financing arrangement. Payments of long-term debt in 2003 included \$125 million of medium-term notes and \$40 million under our revolving credit agreement. Additions to long-term debt in 2002 included \$150 million of 7.5% notes due in 2008, a \$20 million floating-rate term loan, and \$62 million in medium-term notes. Payments of long-term debt in 2002 included \$125 million of 9.85% notes, \$32.5 million of industrial revenue bonds, \$15.5 million of bank debt for our Australian operations, and \$2.3 million of medium-term notes.

In 2003, our debt increased \$514.7 million to \$2.3 billion. Our debt-to-equity ratio was .98:1 at December 31, 2003, and 1.26:1 at December 31, 2002. Our debt-to-equity ratio decreased because

the 2003 increase in equity from the stock issued for the OfficeMax acquisition was greater than the increase in debt that resulted from the OfficeMax acquisition.

We lease our store space and other property and equipment under operating leases. These operating leases are not included in debt; however, they represent a significant commitment. Obligations under operating leases are shown in the "Contractual Obligations" section of this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Our debt structure consists of credit agreements, note agreements, adjustable conversion-rate equity security units, and other borrowings. See Note 11, Debt, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K for a listing of our debt. For more information, also see "Contractual Obligations" and "Disclosures of Financial Market Risks" in this Management's Discussion and Analysis of Financial Condition and Results of Operations. Recent changes to our debt structure are as follows:

Credit Agreements

In March 2002, we entered into a three-year, unsecured revolving credit agreement with 14 major financial institutions. The agreement permits us to borrow as much as \$560 million at variable interest rates based on either the London Interbank Offered Rate (LIBOR) or the prime rate. The borrowing capacity under the agreement can be expanded to a maximum of \$600 million. Borrowings under the agreement were \$210 million at December 31, 2003. In addition to these borrowings, \$40.5 million of letters of credit are considered a draw on the revolver, thus reducing our borrowing capacity as of December 31, 2003, to \$309.5 million. At December 31, 2003, our borrowing rate under the revolving credit agreement was 2.5%. We have entered into interest rate swaps to hedge the cash flow risk from the variable interest payments on \$100 million of LIBOR-based debt, which gave us an effective interest rate for outstanding borrowings under the revolving credit agreement of 4.1% at December 31, 2003. The revolving credit agreement contains customary conditions to borrowing, including compliance with financial covenants relating to minimum net worth, minimum interest coverage ratio, and ceiling ratio of debt to capitalization. At December 31, 2003, we were in compliance with these covenants. Under this agreement, the payment of dividends depends on the existence and amount of net worth in excess of the defined minimum. Our net worth at December 31, 2003, exceeded the defined minimum by \$1,037.4 million. When the agreement expires in June 2005, any amount outstanding will be due and payable.

In December 2003, we entered into a 19-month, unsecured credit agreement with 13 major financial institutions. Under the agreement, we borrowed \$150 million at variable interest rates based on either the LIBOR or the prime rate. At December 31, 2003, our borrowing rate under the agreement was 3.3%. The credit agreement contains financial covenants that are essentially the same as those in our revolving credit agreement discussed above, except that the terms require that the net proceeds of asset sales in excess of the first \$100 million be used to reduce the loan balance. The agreement also states that a lien will be applied to no less than \$300 million of our inventory if our credit ratings fall to either BB- or Ba3 or lower. When the agreement expires in June 2005, any amount outstanding will be due and payable.

Note Agreements

In August 2003, we issued \$50 million of 7.45% medium-term notes due in 2011. The proceeds of the notes were used for general corporate purposes.

In October 2003, we issued \$300 million of 6.5% senior notes due in 2010 and \$200 million of 7.0% senior notes due in 2013. We may redeem all or part of the senior notes at any time at redemption prices defined in the indenture. Net proceeds from the senior notes were used to repay borrowings under our revolving credit agreement, to provide cash for the OfficeMax transaction (see

the "Acquisition of OfficeMax" section of this Management's Discussion and Analysis of Financial Condition and Results of Operations), and for other general corporate purposes. We paid approximately \$9.1 million in fees and expenses associated with the senior notes transaction. The fees are being amortized over the terms of the senior notes.

The senior notes are unsecured; however, the senior notes indenture contains covenants and restrictions that could restrict our ability to borrow money, issue preferred stock, pay dividends, repurchase stock, incur subsidiary debt, make investments in persons or firms other than our majority-owned subsidiaries, or expand into unrelated businesses. In particular, the indenture allows us to incur debt or issue preferred stock only if we meet a fixed charges coverage ratio of 2.0 to 1.0 over the preceding four calendar quarters. The indenture does permit us to borrow up to \$850 million, pay up to \$20 million of common dividends per quarter, and pay for the dividends and repurchases of our Series D preferred stock. At the present time and given our financial condition, we do not believe these covenants and restrictions limit our ability to operate our business in the normal course. At December 31, 2003, we were in compliance with these covenants.

If we undergo a change of control, the note holders can require us to repurchase the senior notes at a price equal to 101% of the notes' principal amount. Similarly, if we sell assets under conditions specified in the indenture, the note holders can require us to use proceeds to repurchase the senior notes at 100% of the principal amount. If we spin off one or more of our business units, the newly created company may offer to exchange the notes for substantially similar notes of the new company. If this occurs, we must make a concurrent offer to repurchase the notes at a price equal to 100% of the principal amount.

As a result of the acquisition of OfficeMax, Standard and Poor's Rating Services and Moody's Investors Services, Inc., lowered our credit ratings to BB and Ba2, respectively, which are both below investment grade. If we regain investment-grade ratings with both credit rating agencies, the senior note covenants discussed above will be automatically replaced with the covenants found in our other public debt, except that a restriction on subsidiary indebtedness will remain.

Adjustable Conversion-Rate Equity Security Units

In December 2001, Boise Cascade Trust I issued 3,450,000 7.5% adjustable conversion-rate equity security units to the public at an aggregate offering price of \$172.5 million. Boise Cascade Trust I is a statutory business trust wholly owned by the company. There are two components of each unit. Investors received a preferred security issued by the trust with a liquidation amount of \$50, which is mandatorily redeemable in December 2006. The trust will terminate upon the redemption of the preferred securities. From each unit, investors receive a quarterly distribution at the annual rate of 7.5%. The rate will be repriced in September 2004 based on then-market rates of return. Investors also have a contract to purchase \$50 worth of common shares of Boise in December 2004, subject to a collar arrangement. For each unit, investors will receive between 1.2860 and 1.5689 of our common shares, depending on the average trading price of our common stock at that time. We will receive \$50 per unit or \$172.5 million. The units trade on the New York Stock Exchange under ticker symbol BEP.

The trust used the proceeds from the offering to purchase debentures issued by Boise. These debentures are 7.5% senior, unsecured obligations that mature in December 2006. They carry the same payment terms as the preferred securities issued by the trust. We irrevocably guarantee the trust's distributions on the preferred securities. Our guarantee is senior and unsecured and is limited to the funds the trust receives from the debentures.

In December 2003, the FASB issued a revised FASB Interpretation No. 46, Consolidation of Variable Interest Entities. Interpretation No. 46, as revised, required us to reclassify \$172.5 million of "Adjustable conversion-rate equity security units" from "Minority Interest" to "Debt" in our Consolidated Balance Sheets and recognize distributions on these securities as "Interest expense"

rather than "Minority interest, net of income tax" in our Consolidated Statements of Income (Loss). As allowed by the FASB's revised Interpretation No. 46, prior years' financial statements were reclassified to conform with the current year's presentation. In all periods presented, there was no net effect on earnings, and the reclassification of these securities to debt did not affect our financial covenants.

Other

In March 2002, we entered into an interest rate swap with a notional amount of \$50 million. This swap converts \$50 million of fixed-rate \$150 million 7.05% debentures to variable-rate debt based on six-month LIBOR plus approximately 2.2%. The effective interest rates at December 31, 2003 and 2002, were 3.5% and 3.6%. This swap expires in May 2005.

Changes in short-term borrowings represent net changes in notes payable. At December 31, 2003 and 2002, we had \$5.2 million and \$28.0 million of short-term borrowings outstanding. The minimum and maximum amounts of combined short-term borrowings outstanding were \$0 and \$117.4 million during the year ended December 31, 2003, and were \$0 and \$304.5 million during the year ended December 31, 2002. The average amounts of short-term borrowings

outstanding during the years ended December 31, 2003 and 2002, were \$32.3 million and \$49.9 million. For 2003 and 2002, the average interest rates for these borrowings were 1.9% and 2.5%.

At December 31, 2003, we had \$143 million of unused borrowing capacity registered with the Securities and Exchange Commission (SEC) for additional debt securities.

Contractual Obligations

In the table below, we set forth our enforceable and legally binding obligations as of December 31, 2003. Some of the figures we include in this table are based on management's estimates and assumptions about these obligations, including their duration, the possibility of renewal, anticipated actions by third parties, and other factors. Because these estimates and assumptions are necessarily subjective, the enforceable and legally binding obligations we will actually pay in future periods may vary from those reflected in the table.

	Payments Due by Period				
	2004	2005-2006	2007-2008	Thereafter	Total
	(millions)				
Debt					
Long-term debt, including current portion(a) (e)	\$ 83.0	\$ 644.3	\$ 188.6	\$ 1,167.0	\$ 2,082.9
Adjustable conversion-rate equity security units	—	172.5	—	—	172.5
Guarantee of 9.5% ESOP debt	19.1	—	—	—	19.1
Operating leases(b)(g)	387.1	683.0	533.4	1,281.0	2,884.5
Purchase obligations					
Raw materials(c)	53.5	60.9	4.5	.9	119.8
Utilities(d)	46.9	19.5	10.8	1.0	78.2
Capital spending	14.6	22.1	4.1	1.3	42.1
Other	28.9	17.9	.6	—	47.4
Other long-term liabilities reflected on our Consolidated Balance Sheet					
Compensation and benefits(e)(f)	111.4	266.0	156.4	141.9	675.7
Other(e)(g)	.2	51.3	59.1	47.4	158.0
	\$ 744.7	\$ 1,937.5	\$ 957.5	\$ 2,640.5	\$ 6,280.2

- (a) Included in long-term debt are amounts owed on our note agreements, revenue bonds, and credit agreements. These borrowings are further explained in Note 11, Debt, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" in this Form 10-K. The table assumes our long-term debt is held to maturity.
- (b) We enter into operating leases in the normal course of business. We lease our retail store space as well as other property and equipment under operating leases. Some of our retail store leases require percentage rentals on sales above specified minimums and contain escalation clauses. These minimum lease payments do not include contingent rental expense. Some lease agreements provide us with the option to renew the lease or purchase the leased property. Our future operating lease obligations would change if we exercised these renewal options and if we entered into additional operating lease agreements. For more information, see Note 7, Leases, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" in this Form 10-K.
- (c) Included in raw materials is \$58 million for contracts to purchase timber. We acquire a portion of our wood requirements from outside sources. Except for deposits required pursuant to wood supply contracts, these obligations are not recorded in our consolidated financial statements until contract payment terms take effect. The obligations are subject to change based on, among other things, the effect of governmental laws and regulations, our manufacturing operations not operating in the normal course of business, timber availability, and the status of environmental appeals.
- (d) We enter into utility contracts for the purchase of electricity and natural gas. We also purchase these services under utility tariffs. The contractual and tariff arrangements include multiple-year commitments and minimum annual purchase requirements. Our payment obligations were valued at prices in effect on December 31, 2003, or contract language, if available. These obligations represent the face value of the contracts and do not consider resale value. Generally, our utility contracts for the purchase of electricity do not permit resale. However, several of our commitments to purchase natural gas do permit resale.
- (e) The current portion of these liabilities is also included.
- (f) "Compensation and benefits" includes amounts associated with our retirement and benefit plans and other compensation arrangements. For more information, see "Critical Accounting Estimates—Pensions" and see Note 13, Retirement and Benefit Plans, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" in this Form 10-K.
- (g) Lease obligations for facility closures are included in operating leases.

In accordance with an amended and restated joint-venture agreement, the minority owner of our subsidiary in Mexico, OfficeMax de Mexico, can elect to put its remaining 49% interest in the subsidiary to Boise if earnings targets are achieved. At December 31, 2003, OfficeMax de Mexico had met these earnings targets. These earnings targets are calculated quarterly on a rolling four-quarter basis. Accordingly, the targets can be achieved in one quarter but not in the next. When the earnings targets are achieved and the minority owner elects to put its ownership interest, the purchase price would be equal to fair value, calculated based on both the subsidiary's earnings for the last four quarters before interest, taxes, and depreciation and amortization and the current market multiples of similar companies. The fair value purchase price in 2004 is estimated at \$25 million to \$30 million. This contingent obligation is not included in the table above.

In addition to the enforceable and legally binding obligations quantified in the table above, we have other obligations for goods and services and raw materials entered into in the normal course of business. These contracts, however, either are not enforceable or legally binding or are subject to change based on our business decisions.

Off-Balance-Sheet Activities and Guarantees

We have sold fractional ownership interests in a defined pool of accounts receivable. We account for this sales program under SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. We have entered into this program to provide us funding at rates favorable to our other borrowing arrangements. Under this program, we sell substantially all of our domestic trade accounts receivable on a revolving basis to a fully consolidated, wholly owned subsidiary. The subsidiary in turn sells a fractional ownership interest in the receivables to affiliates of two banks. Based on the terms of the sale, we record the sales as true sales and not as loans secured by the receivables. At December 31, 2003, \$250 million of sold

accounts receivable were excluded from "Receivables" in our Consolidated Balance Sheet. The portion of fractional ownership interest we retain is included in "Receivables" in our Consolidated Balance Sheet. A portion of our retained interest is subordinate to the interests of the bank affiliates, providing them credit support if the receivables become uncollectible. The anticipated impact of the credit support is reflected in our allowance for uncollectible receivables. The proceeds available under this program could be reduced, based on the level of eligible receivables, restrictions on the concentrations of receivables, and the historical performance of the receivables. The available proceeds may not exceed \$250 million under our current agreements. Our costs under this program vary based on changes in interest rates. They totaled \$3.3 million, \$4.4 million, and \$8.4 million in 2003, 2002, and 2001, respectively.

The purchasers of the receivables commit to our securitization program in 364-day increments. When the current program expires, none of the parties are obligated to renew the arrangement. Our experience over the last five years, however, has been that the parties do renew the arrangement with minimal alterations. If the program were not renewed, we would obtain replacement funding from alternative funding sources. Use of those sources, however, might result in an increase in our interest expense and an increase in both liabilities and assets on our Consolidated Balance Sheet.

Guarantees

Note 17, Commitments and Guarantees, of the Notes to Consolidated Financial Statements in "Item 8. Financial Statements and Supplementary Data" in this Form 10-K describes the nature of our guarantees, including the approximate terms of the guarantees, how the guarantees arose, the events or circumstances that would require us to perform under the guarantees, and the maximum potential undiscounted amounts of future payments we could be required to make.

Inflationary and Seasonal Influences

We believe inflation has not had a material effect on our financial condition or results of operations; however, there can be no assurance that we will not be affected by inflation in the future.

Our office products businesses are seasonal. Sales in the second quarter and summer months are historically the slowest of the year. Our building products businesses are dependent on housing starts, repair-and-remodel activity, 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 our building products businesses. In addition, cold weather may affect our operating costs (including energy) at our manufacturing facilities.

Disclosures of Financial Market Risks

Our debt is predominantly fixed-rate. At December 31, 2003, the estimated current market value of our debt, based on then-current interest rates for similar obligations with like maturities, was approximately \$58 million more than the amount of debt reported in the Consolidated Balance Sheet. The estimated fair values of our other financial instruments, cash and cash equivalents, receivables, and short-term borrowings are the same as their carrying values. In the opinion of management, we do 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 our products are sold, as well as their dispersion across many geographic areas.

Changes in interest and currency rates expose the company to financial market risk. We occasionally use derivative financial instruments, such as interest rate swaps, rate hedge agreements, forward purchase contracts, and forward exchange contracts, to hedge underlying debt obligations or anticipated transactions. We do not use them for trading purposes. For

qualifying hedges, the interest rate differential is reflected as an adjustment to interest expense over the life of the swap or underlying debt. Gains and losses related to qualifying hedges of foreign currency firm commitments and anticipated transactions are recorded in other comprehensive income (loss) and recognized in income as adjustments of carrying amounts when the hedged transactions occur. Unrealized gains and losses on all other forward exchange contracts are included in current-period net income (loss).

In November 2003, we entered into a natural gas swap to hedge the variable cash flow risk on 25,000 MMBtu per day of natural gas usage to a fixed price. The swap expires in March 2004. The swap was designated as a cash flow hedge. Accordingly, changes in the fair value of the swap, net of taxes, are recorded in "Accumulated other comprehensive loss" in our Consolidated Balance Sheet. The swap was fully effective in hedging the changes in the index price of the hedged item.

Effective January 2004, we entered into two electricity swaps that convert 7 and 36 megawatts of usage per hour to a fixed price. These swaps expire December 31, 2004. These swaps were designated as cash flow hedges. Beginning in 2004, the changes in the fair value of the swaps, net of taxes, were recorded in "Accumulated other comprehensive loss" in our Consolidated Balance Sheets.

In March 2002, we entered into an interest rate swap with a notional amount of \$50 million. This swap converts \$50 million of fixed-rate \$150 million 7.05% debentures to variable-rate debt based on six-month LIBOR plus approximately 2.2%. The effective interest rates at December 31, 2003 and 2002, were 3.5% and 3.6%. The swap expires in May 2005. This swap is designated as a fair value hedge of a proportionate amount of the fixed-rate debentures. The swap and debentures are marked to market, with changes in the fair value of the instruments recorded in income (loss). This swap was fully effective in hedging the changes in the fair value of the hedged item; accordingly, changes in the fair value of this instrument had no net effect on our reported income (loss).

In January 2002, we entered into electricity and natural gas swaps that converted 40 megawatts and 6,000 MMBtu of usage to a fixed rate. The electricity swap expired at the end of 2002, and the natural gas swaps expired in March 2003. In August 2002, we entered into an electricity swap that converted 36 megawatts of usage in the Northwest to a fixed rate. This swap expired at the end of 2003. All of the swaps were designated as cash flow hedges. Accordingly, changes in the fair value of the swaps, net of taxes, were recorded in "Accumulated other comprehensive loss" in our Consolidated Balance Sheets. These swaps were fully effective in hedging the changes in the fair value of the hedged items.

In February 2001, we entered into two interest rate swaps with notional amounts of \$50 million each, one that matured in February 2003 and one that matured in February 2004. In November 2001, we entered into an interest rate swap with a notional amount of \$50 million that will mature in November 2004. The swaps hedged the variable cash flow risk from the variable interest payments on \$100 million and \$150 million of our LIBOR-based debt in 2003 and 2002. The effective interest rates from the swaps in 2003 and 2002 were 3.4% and 3.3%. Changes in the fair value of these swaps, net of taxes, were recorded in "Accumulated other comprehensive loss" and reclassified to "Interest expense" as interest expense was recognized on the LIBOR-based debt. Amounts reclassified in 2003, 2002, and 2001 increased interest expense by \$3.0 million, \$3.2 million, and \$1.4 million, respectively. Assuming no change in interest rates, \$1.7 million would be reclassified in 2004. Ineffectiveness related to these hedges was not significant.

We are exposed to modest credit-related risks in the event of nonperformance by counterparties to these forward exchange contracts and interest rate swaps. However, we do not expect the counterparties, which are all major financial institutions, to fail to meet their obligations.

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The table below provides information about our financial instruments that are sensitive to changes in interest rates or utility indexes. For debt obligations, the table presents principal cash flows and related weighted average interest rates by expected maturity dates. For obligations with variable interest rates and sensitivity to energy market risk, the table sets forth payout amounts based on current rates and does not attempt to project future rates. Other instruments subject to market risk, such as obligations for pension plans and other postretirement benefits, are not reflected in the table.

Financial Instruments

	December 31									
						2003		2002		
	2004	2005	2006	2007	2008	There- after	Total	Fair Value	Total	Fair Value
(millions)										
Debt										
Short-term borrowings	\$ 5.2	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5.2	\$ 5.2	\$ 28.0	\$ 28.0
Average interest rates	—	—	—	—	—	—	—	—	2.2%	—
Long-term debt										
Fixed-rate debt payments	\$ 58.0	\$ 222.0	\$ 42.3	\$ 29.4	\$ 159.2	\$ 1,167.0	\$ 1,677.9	\$ 1,722.4	\$ 1,218.1	\$ 1,198.3
Average interest rates	7.3%	7.1%	7.4%	7.4%	7.4%	7.1%	7.2%	—	7.6%	—
Variable-rate debt payments	\$ 25.0	\$ 380.0	\$ —	\$ —	\$ —	\$ —	\$ 405.0	\$ 405.0	\$ 295.0	\$ 295.0
Average interest rate	4.0%	3.2%	—	—	—	—	3.3%	—	3.6%	—
Adjustable conversion-rate equity security units	\$ —	\$ —	\$ 172.5	\$ —	\$ —	\$ —	\$ 172.5	\$ 185.9	\$ 172.5	\$ 144.9
Average interest rate	—	—	7.5%	—	—	—	7.5%	—	7.5%	—
Guarantee of ESOP debt	\$ 19.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 19.1	\$ 19.3	\$ 51.4	\$ 51.6
Average interest rate	9.5%	—	—	—	—	—	9.5%	—	8.4%	—
Interest rate swaps										
Notional principal amount of interest rate exchange agreements maturing										
Variable to fixed	\$ 100.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 100.0	\$ (1.7)	\$ 150.0	\$ (4.8)
Average pay rate	4.5%	—	—	—	—	—	4.5%	—	4.8%	—
Average receive rate	1.2%	—	—	—	—	—	1.2%	—	1.5%	—
Fixed to variable	\$ —	\$ 50.0	\$ —	\$ —	\$ —	\$ —	\$ 50.0	\$ 2.3	\$ 50.0	\$ 3.4
Average pay rate	—	1.3%	—	—	—	—	1.3%	—	1.4%	—
Average receive rate	—	4.8%	—	—	—	—	4.8%	—	4.8%	—
Energy swaps	\$ 1.4	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.4

Timber Supply

The primary raw material we use in our paper and building products segments is wood fiber. The primary sources of wood fiber are timber and the byproducts of timber, such as wood chips, wood shavings, and sawdust. Factors such as governmental forest management practices and regulations and urban real estate development influence the supply of timber.

We own or control approximately 2.4 million acres of timberland in the United States. We manage our timberlands as part of our Boise Building Solutions and Boise Paper Solutions segments. The financial impact of our timberlands on our results of operations is included in these segments. The open-market cost of timber and other wood fiber is subject to commodity pricing,

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which can fluctuate greatly depending on weather, governmental restraints, and industry conditions. The amount of timber we harvest each year from our timber resources, compared with the amount we purchase from outside sources, varies according to the price and supply of wood fiber for sale on the open market and the harvest levels we deem sound in the management of our timberlands. During 2003, we met 47% of our fiber needs through our own timber and wood fiber sources, 42% through private sources, and 11% through government sources. During 2002, these percentages were 49%, 39%, and 12%, and in 2001, they were 44%, 47%, and 9%.

In March 2002, we announced that we would no longer harvest timber from old-growth forests in the United States. This policy became effective in 2004. As a result of this policy, we will not enter into any timber sale contracts on public or private forestlands that require harvesting old-growth forests. This policy formally recognizes a trend that we had already been following for several years. Our formal adoption of this policy will not materially affect our available timber supply.

Changes in government policy and environmental litigation can cause the amount of timber available for commercial harvest from public and private lands to vary considerably. Declines in the amount of timber offered for sale can negatively impact our wood manufacturing facilities. In recent years, these declines have been severe enough to cause the closure of numerous facilities, including two of our own. Future legislation and litigation concerning the use of public lands, the protection of endangered species, the promotion of forest health, and the response to and prevention of catastrophic wildfires may either increase or decrease the amount of timber supply from both public and private forestlands. As a result, we cannot accurately predict future log supply and costs or its potential impact on our manufacturing facilities.

Long-term leases of private timberlands generally provide Boise with timber harvesting rights and carry with them responsibility for managing the timberlands. The remaining life of all leases, including renewal terms, ranges from 13 to 62 years. In addition, we have an option to purchase approximately 200,000 acres of timberland under lease and/or contract in the southern United States. We manage our timberlands so that they will provide a continuous and sustainable supply of wood for future needs.

Our two Northwest pulp and paper mills receive approximately 57% of their wood chips from internal sources, including our whole-log chipping facility; our cottonwood fiber farm near Wallula, Washington; and our Northwest building materials manufacturing facilities. Excluding the chips provided by our Yakima plywood and lumber operations, which were sold in February 2004, about 50% would have been provided from internal sources. Roughly 25% of the pulp used by our uncoated free sheet machine in Wallula during 2003 was made from cottonwood fiber from our farm.

In 2003, we sold approximately 9,100 acres of timberland in Idaho and 2,500 acres in Alabama. In 2002, we purchased approximately 28,000 acres of timberland to support the operations of our plywood and lumber mills in northeastern Oregon and also sold approximately 4,600 acres in Alabama. In 2001, we purchased approximately 19,000 acres of timberland to support the operations of our pulp and paper mill in Jackson, Alabama. Fiber for our veneer and plywood plant in Brazil is initially coming from private sources. Boise manages the land and trees and schedules the harvest for one of these private sources in Brazil under multiyear agreements. This private source provides a significant portion of our plant's fiber needs. In 2001, we also purchased approximately 35,000 acres of eucalyptus plantation land in Brazil to meet the future fiber requirements of the plant.

Boise's success depends on responsible environmental stewardship—our ability to sustain the resources that contribute to the products and services we offer our customers. Our forest management practices embrace our own forest stewardship values and measures as well as the

Sustainable Forestry Initiative® (SFI®) program, a comprehensive system of principles, objectives, and performance measures that integrates the sustainable growing and harvesting of trees with protection of wildlife, plants, soil, and water quality.

During 2000 and 2001, PricewaterhouseCoopers LLP (PwC) conducted sustainable forestry audits on our U.S. timberlands, and on other private and public lands from which we purchase timber, to determine whether our forest management practices complied with the SFI program requirements. Those PwC audits found our timberlands to be in full compliance with SFI requirements, resulting in our timberlands being certified under the SFI standard.

During 2002, the SFI program added a product-labeling component for manufactured products. This component calls for independent, third-party audits of fiber sources and fiber procurement processes. Products manufactured at a certified facility can bear the SFI label. Audits of our fiber sources and fiber procurement processes are being performed as part of a second round of sustainable forest audits that began in 2003 and will be completed in 2004. PwC is performing these audits, and we will publish findings from them in late 2004.

Environmental

Our businesses are subject to a wide range of general and industry-specific environmental laws and regulations. Boise Paper Solutions and Boise Building Solutions, in particular, are affected by laws and regulations covering air emissions, wastewater discharges, solid and hazardous waste management, site remediation, and forestry operations. Compliance with these laws and regulations is a significant factor in the operation of these businesses.

We incur substantial capital and operating expenditures to comply with federal, state, and local environmental laws and regulations. Failure to comply with these laws and regulations could result in civil or criminal fines or penalties or in enforcement actions. Our failure to comply could also result in governmental or judicial orders that stop or interrupt our operations or require us to take corrective measures, install additional pollution control equipment, or take other remedial actions. We anticipate capital expenditures of about \$13 million in 2004 to comply with environmental requirements. We anticipate spending similar or greater amounts in the years ahead. These capital expenditures, along with our established operating procedures and controls, will allow us to continue to meet environmental standards.

In January 2003, the Environmental Protection Agency (EPA) proposed rules that regulate air emissions from boilers and wood panel plants. We expect the EPA to finalize these rules in 2004. While the final requirements are not yet known, we expect capital expenditures in the range of \$25 million to \$45 million to comply with these rules during the period from 2004 to 2007.

As an owner and operator of real estate, we may be liable under environmental laws for the cleanup of past and present spills and releases of hazardous or toxic substances on or from our properties and operations. We can be found liable under these laws if we knew of, or were responsible for, the presence of such substances. In some cases, this liability may exceed the value of the property itself.

We have been notified that we are a "potentially responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or similar federal and state laws, or have received a claim from a private party, with respect to 16 active sites where hazardous substances or other contaminants are or may be located. In most cases, we are one of many potentially responsible parties, and our alleged contribution to these sites is relatively minor. For sites where a range of potential liability can be determined, we have established appropriate reserves. We believe we have minimal or no responsibility with regard to several other sites. We cannot predict with certainty the total response and remedial costs, our share of the total costs, the

extent to which contributions will be available from other parties, or the amount of time necessary to complete the cleanups. Based on our investigations; our 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, we do not believe that the known actual and potential response costs will, in the aggregate, materially affect our financial position or results of operations.

Critical Accounting Estimates

The Securities and Exchange Commission defines critical accounting estimates as those that are most important to the portrayal of our financial condition and results. These estimates require management's most difficult, subjective, or complex judgments, often as a result of the need to estimate matters that are inherently uncertain. We reviewed the development, selection, and disclosure of the following critical accounting estimates with the Audit Committee of our board of directors. Our current critical accounting estimates are as follows:

Pensions

We have experienced rapidly increasing retirement benefit plan costs. In response to escalating costs, the Retirement Committee approved the following changes to our pension plan for salaried employees: (1) no new entrants into the plan effective November 1, 2003; (2) a reduction in the service crediting rate for years of service earned after December 31, 2003, from 1.25% to 1%; and (3) for Boise Office Solutions, Contract, participants, a benefit freeze effective December 31, 2003, with one additional year of service provided to active Boise Office Solutions, Contract, participants on January 1, 2004, at the 1% crediting rate. The benefit freeze at our Boise Office Solutions, Contract, segment affects about 7,650 of our 55,618 employees. These changes had a small negative effect on our 2003 expense and will have a \$24 million favorable impact on expense in 2004, with a positive compounding effect over time.

We account for pension expense in accordance with SFAS No. 87, Employer's Accounting for Pensions. This statement requires us to calculate our pension expense and liabilities using actuarial assumptions, including a discount rate assumption and a long-term asset return assumption. We base our discount rate assumption on the rates of return on high-quality bonds currently available and expected to be available during the period to maturity of the pension benefits. We base our long-term asset return assumption on the average rate of earnings expected on invested funds. We believe that the accounting estimate related to pensions is a critical accounting estimate because it is highly susceptible to change from period to period, based on the performance of plan assets, actuarial valuations, and changes in interest rates, and the effect on our financial position and results of operations could be material. The estimate for pensions is a critical accounting estimate for our Boise Office Solutions, Contract; Boise Building Solutions; Boise Paper Solutions; and Corporate and Other segments. The Boise Office Solutions, Retail, employees, among others, do not participate in the pension plans.

For 2003, our discount rate assumption was 6.75%, and our long-term asset return assumption was 8.5%. Using these assumptions, our 2003 pension expense was \$77.1 million, following expense of \$30.4 million and \$11.1 million in 2002 and 2001. If we had decreased our estimated discount rate to 6.5% and our expected return on plan assets to 8.0%, our 2003 pension expense would have been \$88 million, and net income would have decreased approximately \$7 million. If we had increased our discount rate assumption to 7% and our expected return on plan assets to 9.0%, our 2003 pension expense would have been \$66 million, and net income would have increased approximately \$7 million.

For 2004, our discount rate assumption is 6.25%, and our expected return on plan assets is 8.25%. Using these assumptions, we estimate that our 2004 pension expense will be approximately \$80 million. If we were to decrease our estimated discount rate assumption to 6% and our expected return on plan assets to 7.75%, our 2004 pension expense would be approximately \$91 million. If we were to increase our discount rate assumption to 6.5% and our expected return on plan assets to 8.75%, our 2004 pension expense would be approximately \$69 million.

Pension plan contributions include required minimums and, in some years, additional discretionary amounts. In 2003, the required minimum contribution was \$26 million. During 2003, we made cash contributions to our pension plans totaling \$84.5 million, compared with \$48.0 million in 2002 and \$17.7 million in 2001. Congress is currently considering temporary pension funding relief to replace the temporary three-year pension funding relief legislation that expired on December 31, 2003. Under the expired legislation, companies were permitted to use 120% of the average 30-year treasury bond formula as opposed to the previous 105% ceiling. The House of Representatives passed a bill that would allow companies to use a funding discount rate based on an index of high-quality corporate bonds to be developed by the Treasury Department. The Senate has passed similar legislation. If the legislative efforts result in a discount rate that is similar to the previous temporary relief package, our required minimum contribution to our pension plans in 2004 is estimated to be \$55 million. However, if no legislative relief is passed and companies have to return to the 105% ceiling, our minimum contribution in 2004 would be approximately \$95 million. We expect to make contributions to the plans of at least the minimums required or, if legislative relief is passed, approximately \$80 million to \$120 million during 2004. We expect to make similar contributions in 2005, assuming some form of comparable pension relief legislation passes. Without pension relief legislation, and depending on interest rates, asset returns, and other factors, our minimum pension contribution in 2005 could be higher than that range. We anticipate having sufficient liquidity to meet our future pension requirements.

The amount of additional minimum pension liability is determined based on the value of plan assets compared with the plans' accumulated benefit obligation. Because of better returns on plan assets in 2003 than 2002, our 2003 minimum pension liability decreased, resulting in a \$52.9 million increase in shareholders' equity in "Accumulated other comprehensive loss." At December 31, 2003, our discount rate assumption was 6.25%. If we had changed our estimated discount rate to 6.0%, our 2003 minimum pension liability adjustment would have increased shareholders' equity \$24 million. If we had changed our discount rate assumption to 6.5%, our 2003 minimum pension liability adjustment would have increased shareholders' equity \$81 million. The change in the additional minimum liability that we will record in 2004 will depend on the actual market value of plan assets on our valuation date (December 31) and the assumptions chosen at that date. When recorded, the adjustments to the minimum pension liability are noncash and do not affect net income (loss).

Long-Lived Asset Impairment

We account for the impairment of long-lived assets in all of our segments in accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. An impairment of a long-lived asset exists when the carrying value of an asset exceeds its fair value and when the carrying value is not

recoverable through future operations. We review the carrying value of long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of assets may not be recoverable.

Long-lived asset impairment is a critical accounting estimate, as it is susceptible to change from period to period. To estimate whether the carrying value of an asset or asset group is impaired, we estimate the cash flows that could be generated under a range of possible outcomes, and we estimate the likelihood of possible outcomes. To measure future cash flows, we are

required to make assumptions about future production volumes, future product pricing, and future expenses to be incurred. In addition, estimates of future cash flows may change based on the availability of timber, environmental requirements, capital spending, and other strategic management decisions. We estimate the fair value of an asset or asset group based on quoted market prices (the amount for which the asset(s) could be bought or sold in a current transaction with a third party), when available. When quoted market prices are not available, we use a discounted cash flow model to estimate fair value.

As discussed above, in December 2003, we completed our acquisition of OfficeMax. Given the scale of the OfficeMax acquisition, we have undertaken a review of the direction of the company as a whole by exploring strategic alternatives for our paper and building products businesses. We are considering alternatives ranging from no change in our business mix to potential restructurings, divestitures, spinoffs, and/or other business combinations. We expect this process, which began late in 2003, to take 12 to 18 months. The review of the company's strategic direction could affect our valuations of expected future cash flows.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of assets and the effects of changes in circumstances (timber availability, environmental requirements, capital spending, and other management decisions) on these valuations, both the precision and reliability of our estimates are subject to uncertainty. As additional information becomes known, we may change our estimates.

Environmental Remediation

We are subject to a variety of environmental and pollution control laws and regulations. As is the case with other companies in similar industries, we face exposure from actual or potential claims and legal proceedings involving environmental matters.

We account for environmental remediation liabilities in accordance with the American Institute of Certified Public Accountants Statement of Position 96-1. We record liabilities on an undiscounted basis when assessments and/or remedial efforts are probable and the cost can be reasonably estimated. We estimate our environmental liabilities based on various assumptions and judgments, as we cannot predict with certainty the total response and remedial costs, our share of total costs, the extent to which contributions will be available from other parties, or the amount of time necessary to complete any remediation. In making these judgments and assumptions, we consider, among other things, the activity to date at particular sites, information obtained through consultation with applicable regulatory authorities and third-party consultants and contractors, and our historical experience at other sites that are judged to be comparable. Due to the number of uncertainties and variables associated with these assumptions and judgments and the effects of changes in governmental regulation and environmental technologies, the precision of the resulting estimates of the related liabilities is subject to uncertainty. We regularly monitor our estimated exposure to our environmental liabilities. As additional information becomes known, our estimates may change.

Goodwill Impairment

We account for acquisitions under the purchase method of accounting, typically resulting in goodwill. SFAS No. 142, Goodwill and Other Intangible Assets, requires us to assess goodwill for impairment at least annually in the absence of an indicator of possible impairment and immediately upon an indicator of possible impairment. The statement requires estimates of the fair value of our reporting units. If we determine the fair values are less than the carrying amount of goodwill recorded on our Consolidated Balance Sheet, we must recognize an impairment in our financial statements. At December 31, 2003, we had \$1.1 billion of goodwill recorded on our Consolidated Balance Sheet. Of the \$1.1 billion, \$488.0 million, \$607.7 million, and \$11.6 million were recorded in

our Boise Office Solutions, Contract; Boise Office Solutions, Retail; and Boise Building Solutions segments, respectively.

During the first quarter of 2003, we performed our annual impairment assessment of goodwill in our Boise Office Solutions, Contract, and Boise Building Solutions segments in accordance with the provisions of SFAS No. 142. We concluded that no impairment existed. Based on our review for impairment indicators in the last three quarters of 2003, we have determined that an impairment review is not required prior to our annual review during the first quarter of 2004. In testing for potential impairment, we measured the estimated fair value of our reporting units based upon discounted future operating cash flows using a discount rate reflecting our estimated average cost of funds. Differences in assumptions used in projecting future operating cash flows and cost of funds could have a significant impact on the determination of impairment amounts.

In estimating future cash flows for our office products and building products businesses, we used our internal budgets. Our budgets were based on recent sales data for existing products, planned timing of new product launches or capital projects, and customer commitments related to new and existing products. These budgets also included assumptions of future production volumes and pricing of commodity products. Due to the inherent volatility of commodity product pricing, our pricing assumptions were based on the average pricing over the commodity cycle. These prices were estimated from information gathered from industry research firms, research reports published by investment analysts, and other published forecasts. If our estimates of projected future cash flows were too high by 10%, there would be no impact on the reported value of goodwill on our Consolidated Balance Sheet.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of the reporting units and the effects of changes in circumstances on these valuations, both the precision and reliability of the resulting estimates are subject to uncertainty. As additional information becomes known, we may change our estimates.

Cautionary and Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements. Statements that are not historical or current facts, including statements about our expectations, anticipated financial results, and future business prospects, are forward-looking statements. You can identify these statements by our use of words such as "may," "will," "expect," "believe," "should," "plan," "anticipate," and other similar expressions. You can find examples of these statements throughout this report, including the Summary and Outlook section. We cannot guarantee that our actual results will be consistent with the forward-looking statements we make in this report. We have listed below inherent risks and uncertainties that could cause our actual results to differ materially from those we project. We do not assume an obligation to update any forward-looking statement.

Competition in our markets could harm our ability to achieve or maintain profitability. All of the markets we serve are highly competitive, with a number of large companies operating in each. We compete in our markets principally through price, service, quality, and value-added products and services.

Boise Office Solutions, Contract and Retail. The office products market is highly competitive. Purchasers of office products have many options when purchasing office supplies and paper, technology products, and office furniture. We compete with worldwide contract stationers, large retail office products suppliers, direct-mail distributors, discount retailers, drugstores, supermarkets, and thousands of local and regional contract stationers, many of whom have long-standing customer relationships. Increased competition in the office products industry, together with increased advertising, has heightened price awareness among end-users. Such heightened price

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awareness has led to margin pressure on office products. Besides price, competition is also based on customer service.

Boise Building Solutions. The building products markets in which we compete are very large and highly fragmented, with fewer than ten national producers but hundreds of local and regional manufacturers and distributors. Most of our competitors are located in the United States and Canada, although we have seen increasing competition from outside North America. We compete not only with manufacturers and distributors of similar building products but also with products made from alternative materials, such as steel and plastic. Many factors (chiefly price, quality, and service) influence competition in the building products markets.

Boise Paper Solutions. Our major paper products are uncoated free sheet, containerboard, and newsprint, all of which are globally traded commodities with numerous worldwide manufacturers and distributors. About a dozen major manufacturers compete in the North American paper market. Price, quality, and service are important competitive determinants across paper markets. All of our paper manufacturing facilities are located in the United States, and we compete largely in the domestic arena. We do, however, face competition from foreign producers. The level of this competition varies depending on the level of demand abroad and the relative rates of currency exchange. Our paper products also compete with electronic transmission and document storage alternatives. As trends toward more use of these alternatives continue, we may see variances in the overall demand for paper products or shifts from one type of paper to another. For example, demand for newsprint has declined as newspapers are replaced with electronic media.

Some of our competitors in each of our businesses are larger than we are and have greater financial and other resources available to them, and there can be no assurance that we can continue to compete successfully with them. Some of our competitors are also currently lower-cost producers than we are and may be better able to withstand price declines. In addition, if we do not continue to provide excellent customer service and quality products in each of our businesses, our profitability in each business and our overall profitability may be harmed.

We cannot ensure that our integration with OfficeMax will be successful. Integrating and coordinating our operations and personnel with those of OfficeMax will involve complex operational and personnel-related challenges. This process will be time-consuming and expensive, may disrupt the business of either or both companies, and may not result in the full benefits we expect. The difficulties, costs, and delays that could be encountered include: unanticipated issues in integrating information, communications, and other systems; negative effects on employee morale and performance as a result of job changes and reassignments; difficulties attracting and retaining key personnel; loss of customers; unanticipated incompatibility of purchasing, logistics, marketing, paper sales, and administration methods; and unanticipated costs of terminating or relocating facilities and operations.

We have more indebtedness since the merger, which could adversely affect our cash flows, business, and ability to fulfill our debt obligations. We have a substantial amount of debt, some of which we recently incurred as part of our acquisition of OfficeMax. As of January 31, 2004, our outstanding debt was \$2.3 billion. The increased levels of debt could, among other things: require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for working capital, capital expenditures, acquisitions, and other purposes; increase the cost and reduce the availability of funds from commercial lenders, debt financing transactions, and other sources; increase our vulnerability to, and limit our flexibility in planning for, adverse economic and industry conditions; create competitive disadvantages compared with other companies with lower debt levels; and cause further downgrading of our credit rating, which could limit our ability to borrow money and increase the cost of doing so.

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The outcome and timing of our evaluation of strategic alternatives is uncertain. At the same time we announced our acquisition of OfficeMax, we announced we would evaluate strategic alternatives for our paper and building products businesses. We have engaged Goldman, Sachs & Co. to assist the company in developing, evaluating, and implementing these alternatives. We are considering alternatives ranging from no change in our business mix to restructurings, divestitures, spinoffs, and other business combinations. The evaluation and any subsequent implementation of the plans that we develop could, in fact, take longer than we have anticipated. The evaluation and its timing, outcome, and implementation may significantly affect the company and its future financial results and business prospects.

The prices we charge for our paper and building products are subject to cyclical market pressures. Our paper and building products businesses are subject to cyclical market pressures. Historical prices for our products have been volatile, and our direct influence over the timing and extent of price changes for our products is limited. The relationship between supply and demand in the paper and building products industries significantly affects product pricing. Demand for building products is driven mainly by factors outside our control, such as the construction, repair and remodeling, and industrial markets; interest rates; and weather. The supply of paper and building products fluctuates based on available manufacturing capacity, and excess capacity in either industry, both domestically and abroad, can result in significant declines in market prices for our products. Prolonged periods of weak demand or excess supply in any of our businesses could negatively affect our market share, seriously reduce our margins, and harm our liquidity, financial condition, or results of operations.

Increases in our raw material costs may harm the results of our operations. The cost of our raw supplies, such as wood fiber, energy, and chemicals, significantly affects the results of our operations. Selling prices of our products have not always increased in response to increases in the prices of our raw materials. On occasion, our results of operations have been, and in the future may be, harmed if we are unable to pass raw material price increases through to our customers. Wood fiber is a significant raw material for our paper and building products businesses. The percentage of our wood fiber requirements obtained from our timberlands will fluctuate based on a variety of factors, including changes in our timber harvest levels and changes in our manufacturing capacity. The cost of various types of wood fiber that we purchase in the market has at times fluctuated greatly because of economic or industry conditions. The volume and value of timber that can be harvested from our lands may be limited by natural disasters such as fire, insect infestation, disease, ice storms, windstorms, flooding, and other weather conditions and causes. We do not maintain insurance for any loss to our standing timber from natural disasters or other causes.

Environmental regulation and environmental compliance expenditures affect our results. Our paper and building products businesses are subject to a wide range of general and industry-specific environmental laws and regulations, particularly with respect to air emissions, wastewater discharges, solid and hazardous waste management, site remediation, forestry operations, and endangered species. Compliance with these laws and regulations is a significant factor in our business. We expect to continue to incur significant capital and operating expenditures to maintain compliance with applicable environmental laws and regulations. Our failure to comply with applicable environmental laws and regulations, including permit requirements, could result in civil or criminal fines or penalties or in enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment, or remedial actions. As an owner and operator of real estate, we may be liable under environmental laws for cleanup and other costs and damages, including tort liability, resulting from past or present spills or releases of hazardous or toxic substances on or from our properties. Liability under these laws may be imposed without regard to whether we knew of, or were responsible for, the presence of such substances on our property and, in some cases, may not be limited to the value of the

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property. Unanticipated situations could give rise to material environmental liabilities. Enactment of new environmental laws or regulations or changes in existing laws or regulations might require significant expenditures. We may be unable to generate funds or other sources of liquidity and capital to fund unforeseen environmental liabilities or expenditures.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information concerning quantitative and qualitative disclosures about market risk is included under the caption "Disclosures of Financial Market Risks" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-K.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Boise Cascade Corporation and Subsidiaries Consolidated Statements of Income (Loss)

	Year Ended December 31		
	2003	2002	2001
	(thousands, except per-share amounts)		
Sales	\$ 8,245,146	\$ 7,412,329	\$ 7,422,175
Costs and expenses			
Materials, labor, and other operating expenses	6,653,109	6,013,613	5,990,601
Depreciation, amortization, and cost of company timber harvested	308,332	306,973	296,023
Selling and distribution expenses	950,129	785,883	785,243
General and administrative expenses	158,786	154,284	131,720
Other (income) expense, net	35,787	30,842	129,460
	8,106,143	7,291,595	7,333,047
Equity in net income (loss) of affiliates	8,822	(2,435)	(8,039)
Income from operations	147,825	118,299	81,089
Interest expense	(132,545)	(131,713)	(128,635)
Interest income	1,186	1,525	1,822
Foreign exchange gain (loss)	2,831	(325)	(2,834)
	(128,528)	(130,513)	(129,647)
Income (loss) before income taxes, minority interest, and cumulative effect of accounting changes	19,297	(12,214)	(48,558)
Income tax (provision) benefit	(2,222)	23,554	5,862

Income (loss) before minority interest and cumulative effect of accounting changes	17,075	11,340	(42,696)
Minority interest, net of income tax	—	—	195
Income (loss) before cumulative effect of accounting changes	17,075	11,340	(42,501)
Cumulative effect of accounting changes, net of income tax	(8,803)	—	—
Net income (loss)	8,272	11,340	(42,501)
Preferred dividends	(13,061)	(13,101)	(13,085)
Net loss applicable to common shareholders	\$ (4,789)	\$ (1,761)	\$ (55,586)
Net income (loss) per common share			
Basic and diluted before cumulative effect of accounting changes	\$.07	\$(.03)	\$(.96)
Cumulative effect of accounting changes, net of income tax	(.15)	—	—
Basic and diluted	\$ (.08)	\$ (.03)	\$ (.96)

See accompanying notes to consolidated financial statements.

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Boise Cascade Corporation and Subsidiaries
Consolidated Balance Sheets

	December 31	
	2003	2002
	(thousands)	
ASSETS		
Current		
Cash and cash equivalents	\$ 124,879	\$ 65,152
Receivables, less allowances of \$10,865 and \$13,111	574,219	423,976
Inventories	1,609,811	717,966
Deferred income taxes	132,235	52,131
Other	60,148	36,524
	<u>2,501,292</u>	<u>1,295,749</u>
Property		
Property and equipment		
Land and land improvements	87,703	70,731
Buildings and improvements	890,871	709,127
Machinery and equipment	4,905,012	4,678,112
	<u>5,883,586</u>	<u>5,457,970</u>
Accumulated depreciation	(3,058,527)	(2,915,940)
	<u>2,825,059</u>	<u>2,542,030</u>
Timber, timberlands, and timber deposits	330,667	328,720
	<u>3,155,726</u>	<u>2,870,750</u>
Goodwill	1,107,292	400,541
Intangible assets, net	218,196	24,629
Investments in equity affiliates	44,335	35,641
Other assets	349,318	320,090
	<u>7,376,159</u>	<u>4,947,400</u>
Total assets	\$ 7,376,159	\$ 4,947,400

See accompanying notes to consolidated financial statements.

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December 31

	2003	2002
	(thousands)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Short-term borrowings	\$ 5,188	\$ 28,000
Current portion of long-term debt	83,016	125,651
Income taxes payable	694	9,512
Accounts payable	1,255,303	519,596
Accrued liabilities		
Compensation and benefits	317,934	218,085
Interest payable	34,130	29,928
Other	280,646	122,832
	<u>1,976,911</u>	<u>1,053,604</u>
Debt		
Long-term debt, less current portion	1,999,876	1,387,398
Adjustable conversion-rate equity security units	172,500	172,500
Guarantee of ESOP debt	19,087	51,448
	<u>2,191,463</u>	<u>1,611,346</u>
Other		
Deferred income taxes	43,311	165,357
Compensation and benefits	564,331	667,694
Other long-term liabilities	256,355	49,868
	<u>863,997</u>	<u>882,919</u>
Minority interest	<u>20,154</u>	<u>—</u>
Commitments and contingent liabilities		
Shareholders' equity		
Preferred stock—no par value; 10,000,000 shares authorized;		
Series D ESOP: \$.01 stated value; 4,117,827 and 4,280,615 shares outstanding	185,302	192,628
Deferred ESOP benefit	(19,087)	(51,448)
Common stock—\$2.50 par value; 200,000,000 shares authorized; 87,137,306 and 58,283,719 shares outstanding	214,805	145,709
Additional paid-in capital	1,228,694	474,533
Retained earnings	907,738	952,215
Accumulated other comprehensive loss	(193,818)	(314,106)
Total shareholders' equity	<u>2,323,634</u>	<u>1,399,531</u>
Total liabilities and shareholders' equity	<u>\$ 7,376,159</u>	<u>\$ 4,947,400</u>

See accompanying notes to consolidated financial statements.

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Boise Cascade Corporation and Subsidiaries
Consolidated Statements of Cash Flows

Year Ended December 31

	2003	2002	2001
	(thousands)		
Cash provided by (used for) operations			
Net income (loss)	\$ 8,272	\$ 11,340	\$ (42,501)
Items in net income (loss) not using (providing) cash			
Equity in net (income) loss of affiliates	(8,822)	2,435	8,039
Depreciation, amortization, and cost of company timber harvested	308,332	306,973	296,023
Deferred income tax benefit	(19,024)	(34,966)	(17,670)
Pension and other postretirement benefit expense	84,760	37,701	17,542
Cumulative effect of accounting changes, net of income tax	8,803	—	—

Minority interest, net of income tax	—	—	384
Restructuring activities	(806)	(750)	57,929
Write-down and sale of assets	14,699	23,646	54,261
Other	3,630	(1,063)	8,705
Decrease (increase) in working capital, net of acquisitions			
Receivables	(22,170)	6,909	78,112
Inventories	72,600	(61,579)	93,084
Accounts payable and accrued liabilities	(62,481)	8,951	(109,150)
Current and deferred income taxes	(22,604)	28,132	(9,620)
Pension and other postretirement benefit payments	(94,811)	(57,775)	(28,151)
Other	65,010	38,525	564
Cash provided by operations	335,388	308,479	407,551
Cash provided by (used for) investment			
Expenditures for property and equipment	(217,504)	(218,961)	(304,857)
Expenditures for timber and timberlands	(10,256)	(18,184)	(35,901)
Investments in equity affiliates	127	225	(783)
Acquisition of businesses and facilities, net of cash acquired	(432,571)	(7,171)	(4,655)
Sales of assets	—	—	160,984
Other	(24,103)	(34,548)	(49,299)
Cash used for investment	(684,307)	(278,639)	(234,511)
Cash provided by (used for) financing			
Cash dividends paid			
Common stock	(35,001)	(34,917)	(34,546)
Preferred stock	(13,864)	(14,548)	(15,175)
	(48,865)	(49,465)	(49,721)
Short-term borrowings	(22,812)	(20,700)	(3,300)
Additions to long-term debt	735,712	232,181	39,559
Payments of long-term debt	(246,589)	(176,964)	(342,084)
Issuance of adjustable conversion-rate equity security units	—	—	165,225
Other	(8,800)	(6,442)	11,163
Cash provided by (used for) financing	408,646	(21,390)	(179,158)
Increase (decrease) in cash and cash equivalents	59,727	8,450	(6,118)
Balance at beginning of the year	65,152	56,702	62,820
Balance at end of the year	\$ 124,879	\$ 65,152	\$ 56,702

See accompanying notes to consolidated financial statements.

Boise Cascade Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity

For the Years Ended December 31, 2001, 2002, and 2003

Common Shares Outstanding	Total Shareholders' Equity	Preferred Stock	Deferred ESOP Benefit	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	
(thousands, except share amounts)								
57,337,158	Balance at December 31, 2000	\$ 1,756,972	\$ 210,961	\$ (107,911)	\$ 143,343	\$ 454,849	\$ 1,074,228	\$ (18,498)
	Comprehensive loss							
	Net loss	(42,501)	—	—	—	—	(42,501)	—
	Other comprehensive loss, net of tax							
	Cumulative foreign currency translation adjustment	(9,014)	—	—	—	—	—	(9,014)
	Cash flow hedges	(2,907)	—	—	—	—	—	(2,907)
	Minimum pension liability adjustment	(109,382)	—	—	—	—	—	(109,382)
	Other comprehensive loss	(121,303)	—	—	—	—	—	(121,303)
	Comprehensive loss	\$ (163,804)						
	Cash dividends declared							
	Common stock	(34,653)	—	—	—	—	(34,653)	—
	Preferred stock	(15,180)	—	—	—	—	(15,180)	—

717,639	Stock options exercised	21,735	—	—	1,794	19,941	—	—
(3,940)	Treasury stock cancellations	(9,460)	(9,335)	—	(10)	(31)	(84)	—
10,905	Other	22,743	—	27,022	27	(7,807)	3,501	—
58,061,762	Balance at December 31, 2001	\$ 1,578,353	\$ 201,626	\$ (80,889)	\$ 145,154	\$ 466,952	\$ 985,311	\$ (139,801)
	Comprehensive loss							
	Net income	11,340	—	—	—	—	11,340	—
	Other comprehensive income (loss), net of tax							
	Cumulative foreign currency translation adjustment	12,829	—	—	—	—	—	12,829
	Cash flow hedges	861	—	—	—	—	—	861
	Minimum pension liability adjustment	(187,995)	—	—	—	—	—	(187,995)
	Other comprehensive loss	(174,305)	—	—	—	—	—	(174,305)
	Comprehensive loss	\$ (162,965)						
	Cash dividends declared							
	Common stock	(34,952)	—	—	—	—	(34,952)	—
	Preferred stock	(14,548)	—	—	—	—	(14,548)	—
218,462	Stock options exercised	6,494	—	—	546	5,948	—	—
(1,148)	Treasury stock cancellations	(9,033)	(8,998)	—	(3)	(9)	(23)	—
4,643	Other	36,182	—	29,441	12	1,642	5,087	—
58,283,719	Balance at December 31, 2002	\$ 1,399,531	\$ 192,628	\$ (51,448)	\$ 145,709	\$ 474,533	\$ 952,215	\$ (314,106)
	Comprehensive income							
	Net income	8,272	—	—	—	—	8,272	—
	Other comprehensive income, net of tax							
	Cumulative foreign currency translation adjustment	65,472	—	—	—	—	—	65,472
	Cash flow hedges	1,887	—	—	—	—	—	1,887
	Minimum pension liability adjustment	52,929	—	—	—	—	—	52,929
	Other comprehensive income	120,288	—	—	—	—	—	120,288
	Comprehensive income	\$ 128,560						
	Cash dividends declared							
	Common stock	(39,445)	—	—	—	—	(39,445)	—
	Preferred stock	(13,864)	—	—	—	—	(13,864)	—
27,316,955	Stock issued for acquisition	808,172	—	—	68,292	739,880	—	—
1,215,118	Restricted stock	6,461	—	—	—	6,461	—	—
713	Restricted stock vested	—	—	—	2	(2)	—	—
319,139	Stock options exercised	8,554	—	—	798	7,756	—	—
(2,006)	Treasury stock cancellations	(7,378)	(7,326)	—	(5)	(16)	(31)	—
3,668	Other	33,043	—	32,361	9	82	591	—
87,137,306	Balance at December 31, 2003	\$ 2,323,634	\$ 185,302	\$ (19,087)	\$ 214,805	\$ 1,228,694	\$ 907,738	\$ (193,818)

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

In December 2003, we acquired OfficeMax, Inc. (OfficeMax). For more information, see Note 2, OfficeMax Acquisition. OfficeMax is now a subsidiary of Boise Cascade Corporation. After the acquisition Boise Office Solutions, our office products distribution business began reporting two segments, Boise Office Solutions, Contract, and Boise Office Solutions, Retail. Accordingly, in December 2003, we began reporting our business using five (rather than four) reportable segments: Boise Office Solutions, Contract; Boise Office Solutions, Retail; Boise Building Solutions; Boise Paper Solutions; and Corporate and Other. Boise Office Solutions, Contract, markets and sells office supplies and paper, technology products, and office furniture through salespeople, catalogs, the Internet, and stores. Boise Office Solutions, Retail, markets and sells office supplies and paper, technology products, and office furniture through office supply superstores. Boise Building Solutions manufactures, markets, and distributes various products that are used for construction, while Boise Paper Solutions manufactures, markets, and distributes uncoated free sheet papers, containerboard, corrugated containers, newsprint, and market pulp. Corporate and Other includes support staff services and related assets and liabilities.

Consolidation and Use of Estimates

The consolidated financial statements include the accounts of the company and all subsidiaries after elimination of intercompany balances and transactions. The results of OfficeMax's operations after December 9, 2003, are included in our consolidated financial statements. Our Boise Office Solutions, Contract; Boise Building Solutions; Boise Paper Solutions; and Corporate and Other segments have a December 31 year-end. Our Boise Office Solutions, Retail, segment maintains a fiscal year that ends on the last Saturday in December, which in 2003 was December 27. We consolidate the fiscal-year results of Boise Office Solutions, Retail, with the calendar-year results of our other segments. Due to statutory requirements, the retail segment's majority-owned subsidiary in Mexico maintains a calendar year-end. The subsidiary is consolidated in our results of operations one month in arrears.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results may vary from those estimates.

Local currencies are considered the functional currencies for most of our operations outside the United States. Assets and liabilities are translated into U.S. dollars at the rate of exchange in effect at the balance sheet date. Revenues and expenses are translated into U.S. dollars at average monthly exchange rates prevailing during the year. Resulting translation adjustments are included in "Accumulated other comprehensive loss." The foreign exchange losses reported in the Consolidated Statements of Income (Loss) rose primarily from transaction adjustments where the U.S. dollar is the functional currency (see Note 12, Financial Instruments).

Revenue Recognition

We recognize revenue when the following criteria are met: persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, our price to the buyer is

fixed and determinable, and collectibility is reasonably assured. Delivery is not considered to have occurred until the customer takes title and assumes the risks and rewards of ownership. The timing of revenue recognition is dependent on shipping terms. Revenue is recorded at the time of shipment for terms designated free on board (f.o.b.) shipping point. For sales transactions designated f.o.b. destination, revenue is recorded when the product is delivered to the customer's delivery site.

Cash and Cash Equivalents

Cash equivalents consist of short-term investments that have a maturity of three months or less at the date of purchase. Cash equivalents totaled \$6.7 million and \$4.3 million at December 31, 2003 and 2002, respectively.

Vendor Rebates and Allowances

We receive rebates and allowances from our vendors under a number of different programs, including cooperative advertising programs and other vendor marketing programs. These rebates and allowances are accounted for in accordance with Emerging Issues Task Force (EITF) 02-16, Accounting by a Customer (Including a Reseller) for Certain Consideration Received From a Vendor. Rebates and allowances received from our vendors are deferred in inventory with the cost of the associated product and are recognized as a reduction of "Materials, labor, and other operating expenses" when the product is sold, unless the rebates and allowances are linked to a specific incremental cost to sell a vendor's product. Amounts received from vendors that are linked to specific selling and distribution expenses are recognized as a reduction of "Selling and distribution expenses" in the period the expense is incurred. See Note 5, Accounting Changes, for information related to the 2003 accounting change for vendor allowances.

Included in the vendor rebate programs referred to above are various volume purchase rebate programs. These programs generally include annual purchase targets and may offer increasing tiered rebates based on our reaching defined purchase levels. For such tiered rebate programs, the company calculates an estimated consideration based on expected purchases during the rebate program period. We review sales projections and related purchases on a quarterly basis and adjust the estimated consideration accordingly. We record consideration received for these programs as a reduction of "Materials, labor, and other operating expenses" as the related inventory is sold.

Inventory Valuation

Inventories are valued at the lower of cost or market. Cost is based on the last-in, first-out (LIFO) method of inventory valuation for raw materials and finished goods inventories at most of our domestic building materials and paper manufacturing facilities. Approximately 14% of our inventories are accounted for under this method. For all other inventories, cost is 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	
	2003	2002
	(thousands)	
Merchandise inventories	\$ 1,246,058	\$ 342,012
Finished goods and work in process	210,956	203,607
Logs	51,572	63,026
Other raw materials and supplies	145,390	147,132
LIFO reserve	(44,165)	(37,811)
	\$ 1,609,811	\$ 717,966

Property and Equipment

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 \$0.4 million in 2003, \$3.9 million in 2002, and \$1.9 million in 2001. Gains and losses from sales and retirements are included in income (loss) as they occur. Most of our paper and wood products manufacturing facilities determine depreciation by a units-of-production method that approximates straight-line over three to five years; other operations use the straight-line method over the estimated useful lives of the assets or the terms of the respective leases.

The estimated useful lives of depreciable assets are generally as follows: building and improvements, 20 to 40 years; furniture and equipment, 5 to 10 years; and machinery, equipment, and delivery trucks, 3 to 20 years. Leasehold improvements are amortized over the lesser of the term of the lease or 30 years.

Timber and Timberlands

Timber and timberlands are stated at cost, less the accumulated cost of timber previously harvested. The vast majority of our timberlands are long-rotation and have growing cycles averaging over 40 years. Costs for activities related to the establishment of a new crop of trees are capitalized. These include activities such as site preparation, seeding, and planting. Costs for activities conducted following new crop establishment are expensed as incurred. These include activities such as thinning, fertilization, pest control, and herbicide applications. Operating lease payments for timberlands are expensed as incurred. At our short-rotation fiber farms, which have growing cycles averaging seven years, costs of planting, thinning, fertilization, pest control, herbicide application, and irrigation are capitalized in accordance with accounting requirements for agricultural products, which this timber more closely resembles. Costs of administration, insurance, property taxes, and interest are expensed on all operations, regardless of growing cycle lengths. We charge capitalized costs, excluding land, against revenue at the time the timber is sold, based on periodically determined depletion rates. These charges are included in "Depreciation, amortization, and cost of company timber harvested" in the accompanying Consolidated Statements of Income (Loss).

The timberlands we own or control support our manufacturing facilities in economically segregated geographic areas. We determine timberland depletion rates for each identifiable geographic area. For our short-rotation fiber farms, capitalized costs are accumulated by specifically identifiable farm blocks. As these blocks are harvested, the accumulated capitalized costs on the block are charged against harvest revenues as depletion. For our longer-rotation timberland

properties, we calculate depletion rates at the end of each year based on capitalized costs and the total estimated volume of timber that is mature enough to be harvested and processed. We compute the estimated timber inventory volume by adding an estimate of current-year growth to the prior-year ending balance, less the current-year harvest. We test the volume and growth estimates periodically, using statistical sampling techniques and data, and we revise them when appropriate. We use the depletion rate calculated at the end of the year to calculate the cost of timber harvested in the subsequent year. We do not change our accounting when the timber reaches maturity or when harvesting begins. We amortize logging roads over their expected useful lives or as related timber is harvested.

We acquire a portion of our wood requirements from outside sources. Our total obligation for timber under contract was estimated to be approximately \$58 million at December 31, 2003. Except for deposits required pursuant to wood supply contracts, these obligations are not recorded in our financial statements until contract payment terms take effect. The obligations are subject to change based on, among other things, the effect of governmental laws and regulations, our manufacturing operations not operating in the normal course of business, timber availability, and the status of environmental appeals.

Facility Closure Reserves

We review our real estate portfolio to identify underperforming facilities and close those facilities that are no longer strategically or economically viable. We account for store closure costs in accordance with Statement of Financial Accounting Standards (SFAS) No. 146, Accounting for Costs Associated with Exit or Disposal Activities. In accordance with SFAS No. 146, we accrue a liability for the cost associated with an exit or disposal activity at its fair value in the period in which the liability is incurred, except for liabilities for one-time termination benefits that are incurred over time. We record a liability for the discounted value of contract termination costs on the date we terminate the contract; if we do not terminate the contract, but cease using the property, we record the discounted liability on the date we cease using the property. The liability is recorded net of the amount for which the property either is or could be subleased. Accretion expense is recognized over the life of the payments. Store closures identified as a result of the OfficeMax acquisition were accounted for in accordance with EITF 95-3, Recognition of Liabilities in Connection With a Purchase Business Combination. These charges were accounted for as exit activities in connection with the acquisition, and we did not recognize a charge to income in our Consolidated Statement of Income. We have not finalized our integration plans and future closures, and additional facility closure reserves are expected. See Note 15, Cost-Reduction Program, Restructuring Activities, and Facility Closures, for additional information.

Long-Lived Asset Impairment

We account for the impairment of long-lived assets in all of our segments in accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. An impairment of a long-lived asset exists when the carrying value of an asset exceeds its fair value and when the carrying value is not recoverable through future operations. We review the carrying value of long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. In December 2003, we recorded a \$14.7 million pretax charge for the write-down of impaired assets at our plywood and lumber operations in Yakima, Washington. We also recorded \$5.7 million of tax benefits associated with the write-down. For more information, see Note 4, Other (Income) Expense, Net.

Goodwill and Intangible Assets

Effective January 1, 2002, we adopted the provisions of Financial Accounting Standards Board (FASB) SFAS No. 142, Goodwill and Other Intangible Assets. Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and intangible assets of businesses acquired. In 2001, prior to the adoption of SFAS No. 142, goodwill was amortized on a straight-line basis over its expected useful life, not to exceed 40 years, and we periodically reviewed the recoverability of goodwill and intangible assets. See Note 10, Goodwill and Intangible Assets, for a reconciliation of our 2001 reported net loss and net loss per share to amounts adjusted for the exclusion of goodwill amortization. We assess goodwill and intangible assets with indefinite lives for

impairment at least annually using a fair-value-based approach. We completed our annual assessment in accordance with the provisions of the standard in first quarter 2003, and there was no impairment.

Intangible assets represent the values assigned to trade names, customer lists and relationships, noncompete agreements, and exclusive distribution rights of businesses acquired. The trade name assets have an indefinite life and are not amortized. All other intangible assets are amortized on a straight-line basis over their expected useful lives, which range from three to 20 years (see Note 10, Goodwill and Intangible Assets).

Investments in Equity Affiliates

We use the equity method to account for investments that we do not control but in which we have significant influence. We periodically review the recoverability of investments in equity affiliates. The measurement of possible impairment is based on the estimated fair value of our investment (see Note 9, Investments in Equity Affiliates).

Deferred Software Costs

We defer internal-use software costs that benefit future years. These costs are amortized on the straight-line method over the expected life of the software, typically three to five years. "Other assets" in the Consolidated Balance Sheets includes deferred software costs of \$69.1 million and \$63.4 million at December 31, 2003 and 2002. Amortization of deferred software costs totaled \$22.7 million, \$21.4 million, and \$20.3 million in 2003, 2002, and 2001.

Environmental Remediation and Compliance

Effective January 1, 2003, we adopted the provisions of SFAS No. 143, Accounting for Asset Retirement Obligations, which affects the way we account for landfill closure costs. This statement requires us to record an asset and a liability (discounted) for estimated closure and closed-site monitoring costs and to depreciate the asset over the landfill's expected useful life. Previously, we accrued for the closure costs over the life of the landfill and expensed monitoring costs as incurred. We record liabilities when assessments and/or remedial efforts are probable and the cost can be reasonably estimated. These liabilities are based on the best estimate of current costs and are updated periodically to reflect current technology, laws and regulations, inflation, and other economic factors. See Note 5, Accounting Changes, for the impact of adopting SFAS No. 143 on our Consolidated Statement of Income.

Stock-Based Compensation

Prior to 2003, we accounted for our stock-based employee compensation plans under the recognition and measurement provisions of Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and its related interpretations. See Note 14, Shareholders' Equity, for a discussion of our plans. Under APB Opinion No. 25, we recognized

compensation expense based on the difference, if any, between the market value of the stock and the exercise price at the measurement date. The measurement date is the date at which both the number of shares/options and the exercise price for each share/option are known. Under APB Opinion No. 25, we recognized \$0.3 million of pretax compensation expense in 2002 and 2001 in our Consolidated Statements of Income (Loss).

In 2003, we adopted the fair-value-based method of accounting for stock-based employee compensation using the prospective method of transition for all employee awards granted on or after January 1, 2003. Awards under our plans vest over periods up to three years. Therefore, the cost related to stock-based employee compensation included in the determination of net income in 2003 is less than that which would have been recognized if the fair-value-based method had been applied to all awards since the original effective date of SFAS No. 123. During 2003, in our Consolidated Statement of Income, we recognized \$6.9 million of pretax compensation expense, of which \$6.5 million related to restricted stock for which the expense recognized under APB Opinion No. 25 or SFAS No. 123 would have been approximately the same. For more information, see Note 5, Accounting Changes.

The following table illustrates the effect on net income (loss) and net income (loss) per share if we had applied the fair-value-based method to all outstanding and unvested awards in each period.

	Year Ended December 31		
	2003	2002	2001
	(thousands, except per-share amounts)		
Reported net income (loss)	\$ 8,272	\$ 11,340	\$ (42,501)
Add: Total stock-based employee compensation expense included in reported net income (loss), net of related tax effects	4,234	158	196
Deduct: Total stock-based employee compensation expense determined under the fair value method for all awards, net of related tax effects	(9,280)	(10,698)	(12,027)
Pro forma net income (loss)	3,226	800	(54,332)
Preferred dividends	(13,061)	(13,101)	(13,085)
Pro forma net loss applicable to common shareholders	\$ (9,835)	\$ (12,301)	\$ (67,417)
Basic and diluted loss per share			
As reported	\$(.08)	\$(.03)	\$ (.96)
Pro forma	(.16)	(.21)	(1.17)

The above effects of applying SFAS No. 123 are not indicative of future amounts. Additional awards may occur in future years. To calculate stock-based employee compensation expense under SFAS No. 123, we estimated the fair value of each option grant on the date of grant, using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 2003, 2002, and 2001: risk-free interest rates of 4.0% in 2003 and 2002 and 5.4% in 2001, expected dividends of 60 cents per share for each year, expected lives of 4.3 years in all periods, and expected stock price volatility of 40% in 2003 and 2002 and 30% in 2001.

We calculate compensation expense for restricted stock awards based on the fair value of Boise's stock on the date of grant. We recognize the expense over the vesting period. See Note 14, Shareholders' Equity.

Research and Development Costs

We expense research and development costs as incurred. During 2003, research and development expenses were \$3.0 million, compared with \$3.1 million in 2002 and \$4.8 million in 2001.

Advertising and Catalog Costs

Advertising costs are either expensed the first time the advertising takes place or, in the case of direct-response advertising, capitalized and charged to expense in the periods in which the related sales occur. Advertising expense was \$113.6 million in 2003, \$41.3 million in 2002, and \$45.0 million in 2001 and is recorded in "Selling and distribution expenses." Capitalized catalog costs, which are included in "Other current assets," totaled \$16.3 million at December 31, 2003, and \$13.3 million at December 31, 2002.

Pre-Opening Expenses

Our Boise Office Solutions, Retail, segment incurs pre-opening expenses prior to opening a retail store. These pre-opening expenses consist primarily of store payroll, supplies, and grand opening advertising and are expensed as incurred. We did not incur any material pre-opening expenses in 2003.

Recently Adopted Accounting Standards

In December 2003, the FASB issued a revised SFAS No. 132, Employers' Disclosures About Pensions and Other Postretirement Benefits. This statement revised companies' disclosures about pension plans and other postretirement benefit plans. It requires additional disclosures about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other postretirement benefit plans. It does not change the measurement or recognition of our plans. We adopted this statement in December 2003, and it had no impact on our financial position or results of operations.

In November 2003, the FASB's EITF reached a consensus on EITF 03-10, Application of Issue No. 02-16 by Resellers to Sales Incentives Offered to Consumers by Manufacturers. The consensus required that consideration received by a reseller from a vendor that is a reimbursement by the vendor for honoring the vendor's sales incentives offered directly to consumers be recorded as revenue rather than as a reduction of cost of goods sold. We adopted EITF 03-10 on January 1, 2004, and it did not have a material impact on our financial position or results of operations.

In May 2003, the FASB issued SFAS No. 150, Accounting for Certain Financial Instruments With Characteristics of Both Liabilities and Equity. SFAS No. 150 requires issuers to classify as liabilities (or assets in some circumstances) three classes of free-standing financial instruments that embody obligations for the issuer. The statement was effective on July 1, 2003, for financial instruments entered into or modified after May 31, 2003, and otherwise effective for existing financial instruments entered into before May 31, 2003. We adopted this statement July 1, 2003, and it did not have a material impact on our financial position or results of operations.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities. In December 2003, the FASB issued a revised FASB Interpretation No. 46. Interpretation No. 46, as revised, required us to reclassify \$172.5 million of "Adjustable conversion-rate equity security units" from "Minority Interest" to "Debt" in our Consolidated Balance Sheets and recognize distributions on these securities as "Interest expense" rather than "Minority interest, net of income tax" in our Consolidated Statements of Income (Loss). As allowed by the FASB's revised Interpretation No. 46, prior years' financial statements have been reclassified to conform with the

current year's presentation. In all periods presented, there was no net effect on earnings, and the reclassification of these securities to debt did not affect our financial covenants.

In November 2002, the FASB issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. This interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also requires that a guarantor recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The disclosure requirements of Interpretation No. 45 became effective for periods ending after December 15, 2002. The recognition and measurement provisions of Interpretation No. 45 became effective January 1, 2003. This statement did not have a material impact on our financial position or results of operations.

In July 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated With Exit or Disposal Activities. This statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred, as opposed to the date of an entity's commitment to an exit plan. It also establishes that fair value is the objective for initial measurement of the liability. We adopted this statement January 1, 2003, and it did not have a material impact on our financial position or results of operations.

See Note 5, Accounting Changes, for a discussion of SFAS No. 143, Accounting for Asset Retirement Obligations; SFAS No. 148, Accounting for Stock-Based Compensation—Transition and Disclosure; and EITF 02-16, Accounting by a Customer (Including a Reseller) for Certain Consideration Received From a

Vendor, and their effect on our consolidated financial statements. In addition, see Note 13, Retirement and Benefit Plans, for a discussion of FASB Staff Position 106-1, Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

Reclassifications

Certain amounts in prior years' financial statements have been reclassified to conform with the current year's presentation. These reclassifications did not affect net income (loss).

2. OfficeMax Acquisition

On December 9, 2003, we completed our acquisition of OfficeMax, Inc. We acquired 100% of the voting equity interest. OfficeMax is now a subsidiary of Boise Cascade Corporation, and the results of OfficeMax operations after December 9, 2003, are included in our consolidated financial statements. OfficeMax is a retail distributor of office supplies and paper, technology products, and office furniture. Our OfficeMax superstores feature CopyMax® and FurnitureMax® in-store modules devoted to print-for-pay services and office furniture. OfficeMax has operations in the United States, Puerto Rico, the U.S. Virgin Islands, and a 51%-owned joint venture in Mexico.

Growing our distribution businesses has been a part of our long-term strategy for many years. The acquisition of OfficeMax is a major step in advancing that strategy. The acquisition more than doubles the size of our office products business. Combining OfficeMax's retail expertise and strong brand with our contract office product segment's strength in serving contract customers will allow the combined office products business to better serve our customers across all distribution channels, meeting the needs of every market segment. The acquisition creates opportunities for synergies that will come from offering more products and services across more customer segments, purchasing leverage from increased scale, and reduced costs in logistics, marketing, and administration.

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The aggregate consideration paid for the acquisition was as follows:

	(thousands)
Fair value of Boise common stock issued	\$ 808,172
Cash consideration for OfficeMax common shares exchanged	486,738
Transaction costs	20,000
	<u>1,314,910</u>
Debt assumed by Boise	81,627
	<u>\$ 1,396,537</u>

We paid OfficeMax shareholders \$1.3 billion for the acquisition, paying 60% of the purchase price in Boise common stock and 40% in cash. OfficeMax shareholders had the opportunity to elect to receive cash or stock for their OfficeMax shares. Each shareholder's election was subject to proration, depending on the elections of all OfficeMax shareholders. As a result of this proration, OfficeMax shareholders electing Boise stock received approximately .230419 share of Boise stock and \$3.1746 in cash for each of their OfficeMax shares. Fractional shares were paid in cash. OfficeMax shareholders electing cash or who had no consideration preference, as well as those shareholders who made no effective election, received \$9.333 in cash for each of their OfficeMax shares. After the proration, the \$1.3 billion paid to OfficeMax shareholders consisted of \$486.7 million in cash and the issuance of 27.3 million of Boise common shares valued at \$808.2 million. The value of the common shares issued was determined based on the average market price of our common shares over a ten-day trading period before the acquisition closed on December 9, 2003.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed on December 9, 2003. The initial purchase price allocations may be adjusted within one year of the purchase date for changes in estimates of the fair value of assets acquired and liabilities assumed.

	December 9, 2003
	(thousands)
Current assets	\$ 1,288,346
Property and equipment	324,760
Goodwill	675,173
Intangible assets	191,800
Other assets	142,344
Assets acquired	<u>2,622,423</u>
Current liabilities	1,032,376
Long-term debt	81,627
Other liabilities	193,510
Liabilities assumed	<u>1,307,513</u>
Net assets acquired	<u>\$ 1,314,910</u>

The excess of the purchase price over the fair values of assets acquired and liabilities assumed was allocated to goodwill. Goodwill of \$607.7 million was recorded in our Boise Office Solutions, Retail, segment, and \$67.5 million was recorded in our Boise Office Solutions, Contract, segment.

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Of the \$675.2 million recorded in goodwill, \$132.0 million is expected to be deductible as operating expenses for tax purposes.

The amount allocated to intangible assets was attributed to the following categories:

	(thousands)
Trade names	\$ 177,000
Noncompete agreements	12,600
Customer lists and relationships	2,200
	<u>\$ 191,800</u>

The trade name assets represent the fair value of the OfficeMax name and other trade names. This asset has an indefinite life and is not amortized. All other intangible assets are amortized on a straight-line basis over their expected useful lives. Noncompete agreements are amortized over four to five years, and customer lists and relationships are amortized over three to five years. In addition to the above intangible assets, we also calculated the fair value of operating leases. A portion of the acquired lease portfolio represented favorable operating leases, compared with current market conditions, and a portion represented unfavorable operating leases, compared with current market conditions. The favorable leases totaled \$98.6 million and, after considering renewal periods, have an estimated weighted average life of 23 years. The unfavorable leases totaled \$113.1 million and have an estimated weighted average life of nine years. The net favorable and unfavorable leases are recorded in "Other long-term liabilities." Both the favorable and unfavorable leases are amortized on the straight-line basis over their respective weighted average lives.

The following table summarizes unaudited pro forma financial information assuming the OfficeMax acquisition had occurred on January 1, 2003 and 2002. OfficeMax's fiscal year ended on the Saturday prior to the last Wednesday in January. The unaudited pro forma financial information uses OfficeMax data for the months corresponding to Boise's December 31 year-end. This unaudited pro forma financial information does not necessarily represent what would have occurred if the transaction had taken place on the dates presented and should not be taken as representative of our future consolidated results of operations or financial position. We have not finalized our integration plans. Accordingly, this pro forma information does not include all costs related to the integration. When the costs are determined, they will either increase the amount of goodwill recorded or decrease net income, depending on the nature of the costs. We also expect to realize operating synergies. Synergies will come from offering more products and services across more customer segments, purchasing leverage from increased scale, and reduced costs in logistics, marketing, and administration. The pro forma information does not reflect these potential expenses and synergies.

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	2003	2002
	(thousands except per-share amounts)	
Sales	\$ 12,864,790	\$ 12,185,675
Net income (loss) before cumulative effect of accounting changes	\$ 2,327	\$ (53,190)
Cumulative effect of accounting changes, net of income tax	(8,803)	—
Net loss	<u>\$ (6,476)</u>	<u>\$ (53,190)</u>
Net loss per common share		
Basic and diluted before cumulative effect of accounting changes	\$ (.13)	\$ (.78)
Cumulative effect of accounting changes, net of income tax	(.10)	—
Basic and diluted	<u>\$ (.23)</u>	<u>\$ (.78)</u>

3. 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 all periods presented, the computation of diluted net loss per share was antidilutive; therefore, the amounts reported for basic and diluted loss were the same.

	Year Ended December 31		
	2003	2002	2001
	(thousands, except per-share amounts)		
Basic and diluted			
Income (loss) before cumulative effect of accounting changes	\$ 17,075	\$ 11,340	\$ (42,501)

Preferred dividends(a)	(13,061)	(13,101)	(13,085)
Basic and diluted income (loss) before cumulative effect of accounting changes(b)	4,014	(1,761)	(55,586)
Cumulative effect of accounting changes, net of income tax	(8,803)	—	—
Basic and diluted loss	\$ (4,789)	\$ (1,761)	\$ (55,586)
Average shares used to determine basic and diluted income (loss) per common share(b)(c)	60,093	58,216	57,680
Basic and diluted income (loss) per common share before cumulative effect of accounting changes	\$.07	\$ (.03)	\$ (.96)
Cumulative effect of accounting changes	<u>(.15)</u>	<u>—</u>	<u>—</u>
Basic and diluted loss per common share	<u>\$ (.08)</u>	<u>\$ (.03)</u>	<u>\$ (.96)</u>

(a) The dividend attributable to our Series D Convertible Preferred Stock held by our employee stock ownership plan (ESOP) is net of a tax benefit.

(b) Adjustments totaling \$1.2 million in 2003 and \$1.3 million in 2002 and 2001, which would have reduced the basic loss to arrive at diluted loss, were excluded because the calculation of diluted loss per share was antidilutive. Also in 2003, 2002, and 2001, potentially dilutive common shares of 4.1 million, 3.9 million, and 4.1 million were excluded from average shares because they were antidilutive.

(c) Options to purchase 7.3 million, 5.6 million, and 2.9 million shares of common stock were outstanding during 2003, 2002, and 2001 but were not included in the computation of diluted loss per share because the exercise prices of the options were greater than the average market price of the common shares. Forward contracts to purchase 5.4 million, 5.1 million, and 5.2 million shares of common stock were outstanding during 2003, 2002, and 2001 but were not included in the computation of diluted loss per share because the securities were not dilutive under the treasury stock method. These forward contracts are related to our adjustable conversion-rate equity security units (see Note 11, Debt).

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4. Other (Income) Expense, Net

"Other (income) expense, net" includes miscellaneous income and expense items. The components of "Other (income) expense, net" in the Consolidated Statements of Income (Loss) are as follows:

	Year Ended December 31		
	2003	2002	2001
	(thousands)		
2003 cost-reduction program (Note 15)	\$ 10,114	\$ —	\$ —
Write-down of impaired assets	14,699	—	—
OfficeMax acquisition costs (Note 2)	4,722	—	—
Sale and write-down of investment in IdentityNow (Note 9)	—	23,646	54,261
European sale reserve reversal	—	(1,388)	(5,000)
Restructuring activities (Note 15)	(806)	(750)	57,929
Sales of receivables (Note 8)	3,272	4,387	8,372
Postretirement benefits	—	—	10,871
Other, net	3,786	4,947	3,027
	\$ 35,787	\$ 30,842	\$ 129,460

In December 2003, we recorded a \$14.7 million pretax charge for the write-down of impaired assets at our plywood and lumber operations in Yakima, Washington. We also recorded \$5.7 million of tax benefits associated with the write-down. The write-down resulted from our internal review of the operations and indications of current market value. We recorded the write-down in our Boise Building Solutions segment in "Other (income) expense, net" and the tax benefits in "Income tax (provision) benefit" in the Consolidated Statement of Income.

In 2001, our Corporate and Other segment recorded a \$10.9 million pretax, noncash charge to accrue for a one-time liability related to postretirement benefits for our Northwest hourly paperworkers. These workers participated in a multiemployer trust that converted to a single employer trust.

5. Accounting Changes

Asset Retirement Obligations

Effective January 1, 2003, we adopted the provisions of SFAS No. 143, Accounting for Asset Retirement Obligations, which affects the way we account for landfill closure costs. This statement requires us to record an asset and a liability (discounted) for estimated closure and closed-site monitoring costs and to depreciate the asset over the landfill's expected useful life. Previously, we accrued for the closure costs over the life of the landfill and expensed monitoring costs as incurred. Effective January 1, 2003, we recorded a one-time after-tax charge of \$4.1 million, or 7 cents per share, as a cumulative-effect adjustment for the difference between the amounts recognized in our consolidated financial statements prior to the adoption of this statement and the amount recognized after adopting the provisions of SFAS No. 143. On a pro forma basis, if the provisions of this statement had been in effect during 2002 and 2001, our net loss and diluted loss per share for 2002 and 2001 would not have materially changed.

We record liabilities when assessments and/or remedial efforts are probable and the cost can be reasonably estimated. These liabilities are based on the best estimate of current costs and are updated periodically to reflect current technology, laws and regulations, inflation, and other economic factors. On a pro forma basis, if the provisions of this statement had been in effect during

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2002, the pro forma amount of our liabilities, measured using current information, assumptions, and interest rates, would not have materially changed.

Stock-Based Compensation

In 2003, we adopted the fair-value-based method of accounting for stock-based employee compensation using the prospective method of transition under the provisions of SFAS No. 148, Accounting for Stock-Based Compensation—Transition and Disclosure (see Note 1, Summary of Significant Accounting Policies, under the caption "Stock-Based Compensation"). The adoption did not materially affect our financial position or results of operations.

Vendor Rebates and Allowances

We participate in various cooperative advertising and other vendor marketing programs with our vendors. We also participate in various volume purchase rebate programs. Effective January 1, 2003, we adopted an accounting change for vendor allowances to comply with the guidelines issued by the FASB's Emerging Issues Task Force (EITF) 02-16, Accounting by a Customer (Including a Reseller) for Certain Consideration Received From a Vendor. Under EITF 02-16, consideration received from a vendor is presumed to be a reduction of the cost of the vendor's products or services, unless it is for a specific incremental cost to sell the product. In accordance with the provisions of EITF 02-16, prior-period financial statements were not reclassified to conform with the current year's presentation.

In addition, under the new guidance, vendor allowances reside in inventory with the product and are recognized when the product is sold, changing the timing of our recognition of these items. This change resulted in a one-time, noncash, after-tax charge of \$4.7 million, or 8 cents per share, in 2003.

On a pro forma basis, if EITF 02-16 had been in effect during 2002 and 2001, approximately \$36 million and \$35 million of vendor allowances would have been reflected as a reduction of "Materials, labor, and other operating expenses." In addition, reported "Selling and distribution expenses" would have increased by similar amounts, with no material impact on our results of operations.

6. Income Taxes

The income tax (provision) benefit shown in the Consolidated Statements of Income (Loss) includes the following:

	Year Ended December 31		
	2003	2002	2001
	(thousands)		
Current income tax (provision) benefit			
Federal	\$ —	\$ (7)	\$ (926)
State	—	—	(2,296)
Foreign	(21,246)	(11,405)	(8,586)
	<u>(21,246)</u>	<u>(11,412)</u>	<u>(11,808)</u>
Deferred income tax (provision) benefit			
Federal	14,158	31,222	12,910
State	1,588	3,562	4,760
Foreign	3,278	182	—
	<u>19,024</u>	<u>34,966</u>	<u>17,670</u>
	<u>\$ (2,222)</u>	<u>\$ 23,554</u>	<u>\$ 5,862</u>

During 2003, 2002, and 2001, we made cash payments, net of refunds received, of \$22.5 million, \$(12.7) million, and \$13.0 million.

A reconciliation of the statutory U.S. federal tax (provision) benefit and our reported tax (provision) benefit is as follows:

	Year Ended December 31		
	2003	2002	2001
	(thousands)		
Statutory tax (provision) benefit	\$ (6,754)	\$ 4,275	\$ 17,006
State taxes	1,032	3,809	1,601
Foreign tax provision different from theoretical rate	(8,522)	(3,187)	(2,877)
Charitable contributions	—	95	4,725
Basis difference in investments disposed of	—	16,383	—
Tax settlement, net of other charges	2,924	—	—

ESOP dividend deduction	4,120	3,739	3,375
Nondeductible write-down of assets	—	—	(14,871)
Other, net	4,978	(1,560)	(3,097)
Reported tax (provision) benefit	<u>\$ (2,222)</u>	<u>\$ 23,554</u>	<u>\$ 5,862</u>

At December 31, 2003, we had \$121.7 million of alternative minimum tax credits, which may be carried forward indefinitely. At December 31, 2003, we had a \$336.0 million federal net operating loss carryover, which will expire in 2022 and 2023.

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The components of the net deferred tax liability in the Consolidated Balance Sheets are as follows:

	December 31			
	2003		2002	
	Assets	Liabilities	Assets	Liabilities
	(thousands)			
Employee benefits	\$ 287,582	\$ 66,124	\$ 296,472	\$ 77,906
Property and equipment and timber and timberlands	29,175	536,524	24,000	530,617
Goodwill	368	27,693	299	17,561
Net operating loss	136,238	—	68,316	—
Alternative minimum tax	121,725	—	105,028	—
Reserves	69,641	794	10,479	1,500
Inventories	44,469	—	9,012	—
State income taxes	35,507	45,081	43,530	49,349
Deferred charges	2,356	12,202	1,369	11,547
Investments	2,853	3,761	2,660	4,166
Other	75,410	24,221	38,873	20,618
	<u>\$ 805,324</u>	<u>\$ 716,400</u>	<u>\$ 600,038</u>	<u>\$ 713,264</u>

Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion of the deferred tax assets will not be realized. We did not record a valuation allowance in any of the years presented.

Pretax income (loss) from domestic and foreign sources is as follows:

	Year Ended December 31		
	2003	2002	2001
	(thousands)		
Domestic	\$ (18,362)	\$ (33,394)	\$ (60,052)
Foreign	37,659	21,180	11,494
Pretax income (loss)	<u>\$ 19,297</u>	<u>\$ (12,214)</u>	<u>\$ (48,558)</u>

At December 31, 2003, our foreign subsidiaries had \$91.0 million of undistributed earnings that had been indefinitely reinvested. It is not practical to make a determination of the additional U.S. income taxes, if any, that would be due upon remittance of these earnings until the remittance occurs.

7. Leases

We capitalize lease obligations for which we assume substantially all property rights and risks of ownership. We did not have any material capital leases during any of the periods presented. We lease our retail store space as well as other property and equipment under operating leases. Some of our leases require percentage rentals on sales above specified minimums, contain escalation clauses and renewal options, and are noncancelable with aggregate minimum lease payment requirements. For the leases that contain predetermined fixed escalation clauses, we recognize the related rent expense on a straight-line basis over the life of the lease and record the difference between the amounts charged to operations and amounts paid to "Other long-term liabilities" in

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our Consolidated Balance Sheets. "Other long-term liabilities" included approximately \$8.1 million and \$5.7 million related to these future escalation clauses in 2003 and 2002.

The components of total rent expense for all operating leases is as follows:

	Year Ended December 31		
	2003	2002	2001
	(thousands)		
Minimum rentals	\$ 77,038	\$ 60,664	\$ 60,660
Percentage rentals	3,222	2,890	2,754
Sublease rentals	(1,415)	(1,269)	(1,249)
	<u>\$ 78,845</u>	<u>\$ 62,285</u>	<u>\$ 62,165</u>

For operating leases with remaining terms of more than one year, the minimum lease payment requirements are \$387.1 million for 2004, \$358.2 million for 2005, \$324.8 million for 2006, \$280.4 million for 2007, and \$253.0 million for 2008, with total payments thereafter of \$1,281.0 million. These minimum lease payments do not include contingent rental expenses that may be paid based on a percentage in excess of stipulated amounts. These future minimum lease payment requirements have not been reduced by \$63.7 million of minimum sublease rentals due in the future under noncancelable subleases.

8. Receivables

We have sold fractional ownership interests in a defined pool of trade accounts receivable. At December 31, 2003, \$250 million of sold accounts receivable were excluded from "Receivables" in the accompanying Consolidated Balance Sheets, compared with \$200 million excluded at December 31, 2002 and 2001. The portion of fractional ownership interest we retain is included in "Receivables" in the Consolidated Balance Sheets. The increase at December 31, 2003, in sold accounts receivable of \$50 million over the amount at December 31, 2002, provided cash from operations in 2003. This program consists of a revolving sale of receivables for 364 days and is subject to renewal. Costs related to the program are included in "Other (income) expense, net" in the Consolidated Statements of Income (Loss); see Note 4, Other (Income) Expense, Net. Under the accounts receivable sale agreements, the maximum amount available from time to time may not exceed \$250 million and is subject to change based on the level of eligible receivables, restrictions on concentrations of receivables, and the historical performance of the receivables.

9. Investments in Equity Affiliates

In December 2001, we wrote down our 29% investment in IdentityNow by \$54.3 million to its estimated fair value of \$25.0 million and recorded \$4.6 million of tax benefits associated with the write-down. The write-down was the result of analysis performed after we received notice in December 2001 that the consolidated group of which IdentityNow is a member was experiencing liquidity problems that could affect IdentityNow. In addition, the promotional products industry was hit hard in 2001 by the decline in the U.S. economy, as companies reduced their discretionary spending. Also in December 2001, IdentityNow provided us with revised revenue projections showing lower sales for the company than previously estimated. Based on this information, we concluded that a decline in the fair value of our investment in IdentityNow was more than temporary. We wrote down our investment using a discounted cash flow valuation method.

In May 2002, we sold the stock of our wholly owned subsidiary that held our investment in IdentityNow. We recorded a \$23.6 million pretax loss related to this sale. We also recorded

\$27.6 million of tax benefits associated with this sale and our previous write-down. This transaction resulted in a net after-tax gain of \$4 million in 2002.

In 2002 and 2001, the loss on the sale and the write-down discussed above are included in our Corporate and Other segment and in "Other (income) expense, net," and the tax benefits are included in "Income tax (provision) benefit" in the Consolidated Statements of Income (Loss).

Our principal investment in affiliates, which we account for under the equity method, is a 47% interest in Voyageur Panel, which owns an oriented strand board plant in Barwick, Ontario, Canada. A Canadian forest products manufacturer and two insurance companies own the other equity interests. Our investment in this venture was \$44.2 million and \$35.5 million at December 31, 2003 and 2002. During 2003, Voyageur Panel had sales to Boise of \$62.1 million, compared with \$33.0 million in 2002 and \$27.5 million in 2001. We have an agreement with Voyageur Panel under which we operate the plant and market its product. During 2003, Voyageur Panel paid us sales commissions of \$3.7 million, compared with \$2.2 million in 2002 and \$1.9 million in 2001. Management fees paid to us by Voyageur Panel were \$1.1 million in 2003, 2002, and 2001. At December 31, 2002, the debt of this affiliate, which was issued without recourse to us, totaled \$5.2 million. During 2003, Voyageur Panel paid the debt balance in full. The other shareholders have the right to require Voyageur Panel to buy their equity interests at fair market value. We have the right to buy any shares sold back to Voyageur Panel before they are sold to other investors.

10. Goodwill and Intangible Assets

Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible and intangible assets of businesses acquired. Effective January 1, 2002, we adopted the provisions of SFAS No. 142, Goodwill and Other Intangible Assets. This statement requires us to assess our acquired goodwill and intangible assets with indefinite lives for impairment at least annually in the absence of an indicator of possible impairment and immediately upon an indicator of possible impairment. We completed our annual assessment in accordance with the provisions of the standard in first quarter 2003, and there was no impairment. Based on our review for impairment indicators in the last three quarters of 2003, we have determined that an impairment review is not required prior to our annual review during first quarter 2004. We also evaluated the remaining useful lives of our finite-lived purchased intangible assets to determine if any adjustments to the useful lives were necessary or if any of these assets had indefinite lives and were therefore not subject to amortization. We determined that no

adjustments to the useful lives of our finite-lived purchased intangible assets were necessary. The finite-lived purchased intangible assets consist of customer lists and relationships, noncompete agreements, and exclusive distribution rights. These intangible assets are discussed in more detail below.

We stopped amortizing goodwill January 1, 2002. A reconciliation of 2001 previously reported net loss and net loss per share to the amounts adjusted for the exclusion of goodwill amortization, net of the related income tax effects, is as follows (thousands, except per-share amounts):

Reported net loss	\$ (42,501)
Goodwill amortization, net of tax	8,864
Adjusted net loss	\$ (33,637)
Reported basic and diluted loss per share	\$(.96)
Goodwill amortization, net of tax	.15
Adjusted basic and diluted loss per share	\$(.81)

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Changes in the carrying amount of goodwill by segment are as follows:

	<u>Boise Office Solutions, Contract</u>	<u>Boise Office Solutions, Retail</u>	<u>Boise Building Solutions</u>	<u>Total</u>
	(thousands)			
Balance at December 31, 2001	\$ 373,545	\$ —	\$ 11,640	\$ 385,185
Goodwill acquired during year	3,782	—	—	3,782
Effect of foreign translation	14,280	—	(1)	14,279
Purchase price adjustments	(2,705)	—	—	(2,705)
Balance at December 31, 2002	388,902	—	11,639	400,541
Goodwill acquired during year (Note 2)	67,517	607,656	—	675,173
Effect of foreign translation	33,894	—	—	33,894
Purchase price adjustments	(2,316)	—	—	(2,316)
Balance at December 31, 2003	\$ 487,997	\$ 607,656	\$ 11,639	\$ 1,107,292

Intangible assets represent the values assigned to trade names, customer lists and relationships, noncompete agreements, and exclusive distribution rights of businesses acquired. The trade name assets have an indefinite life and are not amortized. All other intangible assets are amortized on a straight-line basis over their expected useful lives. Customer lists and relationships are amortized over three to 20 years, noncompete agreements over three to five years, and exclusive distribution rights over ten years. Intangible assets consisted of the following:

	<u>Year Ended December 31, 2003</u>		
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
	(thousands)		
Trade names	\$ 177,000	\$ —	\$ 177,000
Customer lists and relationships	32,692	(6,936)	25,756
Noncompete agreements	17,894	(4,984)	12,910
Exclusive distribution rights	3,363	(833)	2,530
	\$ 230,949	\$ (12,753)	\$ 218,196
	<u>Year Ended December 31, 2002</u>		
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
	(thousands)		
Customer lists and relationships	\$ 25,556	\$ (4,263)	\$ 21,293
Noncompete agreements	4,981	(3,971)	1,010
Exclusive distribution rights	2,919	(593)	2,326
	\$ 33,456	\$ (8,827)	\$ 24,629

Intangible asset amortization expense totaled \$3.1 million in 2003 and 2002, and \$2.8 million in 2001. The estimated amortization expense is \$6.6 million, \$6.4 million, \$6.3 million, \$5.2 million, and \$4.8 million in 2004, 2005, 2006, 2007, and 2008, respectively.

11. Debt

Credit Agreements

In March 2002, we entered into a three-year, unsecured revolving credit agreement with 14 major financial institutions. The agreement permits us to borrow as much as \$560 million at variable interest rates based on either the London Interbank Offered Rate (LIBOR) or the prime rate. The borrowing capacity under the agreement can be expanded to a maximum of \$600 million. Borrowings under the agreement were \$210 million at December 31, 2003. In addition to these borrowings, \$40.5 million of letters of credit are considered a draw on the revolver, thus reducing our borrowing capacity as of December 31, 2003, to \$309.5 million. At December 31, 2003, our borrowing rate under the revolving credit agreement was 2.5%. We have entered into interest rate swaps to hedge the cash flow risk from the variable interest payments on \$100 million of LIBOR-based debt, which gave us an effective interest rate for outstanding borrowings under the revolving credit agreement of 4.1% at December 31, 2003. The revolving credit agreement contains customary conditions to borrowing, including compliance with financial covenants relating to minimum net worth, minimum interest coverage ratio, and ceiling ratio of debt to capitalization. At December 31, 2003, we were in compliance with these covenants. Under this agreement, the payment of dividends depends on the existence and amount of net worth in excess of the defined minimum. Our net worth at December 31, 2003, exceeded the defined minimum by \$1,037.4 million. When the agreement expires in June 2005, any amount outstanding will be due and payable.

In December 2003, we entered into a 19-month, unsecured credit agreement with 13 major financial institutions. Under the agreement, we borrowed \$150 million at variable interest rates based on either the LIBOR or the prime rate. At December 31, 2003, our borrowing rate under the agreement was 3.3%. The credit agreement contains financial covenants that are essentially the same as those in our revolving credit agreement discussed above, except that the terms require that the net proceeds of asset sales in excess of the first \$100 million be used to reduce the loan balance. The agreement also states that a lien will be applied to no less than \$300 million of our inventory if our credit ratings fall to either BB- or Ba3 or lower. When the agreement expires in June 2005, any amount outstanding will be due and payable.

Note Agreements

In August 2003, we issued \$50 million of 7.45% medium-term notes due in 2011. The proceeds of the notes were used for general corporate purposes.

In October 2003, we issued \$300 million of 6.5% senior notes due in 2010 and \$200 million of 7.0% senior notes due in 2013. We may redeem all or part of the senior notes at any time at redemption prices defined in the indenture. Net proceeds from the senior notes were used to repay borrowings under our revolving credit agreement, to provide cash for the OfficeMax transaction (see Note 2, OfficeMax Acquisition), and for other general corporate purposes. We paid approximately \$9.1 million in fees and expenses associated with the senior notes transaction. The fees are being amortized over the terms of the senior notes.

The senior notes are unsecured; however, the senior notes indenture contains covenants and restrictions that could restrict our ability to borrow money, issue preferred stock, pay dividends, repurchase stock, incur subsidiary debt, make investments in persons or firms other than our majority-owned subsidiaries, or expand into unrelated businesses. In particular, the indenture allows us to incur debt or issue preferred stock only if we meet a fixed charges coverage ratio of 2.0 to 1.0 over the preceding four calendar quarters. The indenture does permit us to borrow up to \$850 million, pay up to \$20 million of common dividends per quarter, and pay for the dividends and repurchases of our Series D preferred stock. At the present time and given our financial condition,

we do not believe these covenants and restrictions limit our ability to operate our business in the normal course. At December 31, 2003, we were in compliance with these covenants.

If we undergo a change of control, the note holders can require us to repurchase the senior notes at a price equal to 101% of the notes' principal amount. Similarly, if we sell assets under conditions specified in the indenture, the note holders can require us to use proceeds to repurchase the senior notes at 100% of the principal amount. If we spin off one or more of our business units, the newly created company may offer to exchange the notes for substantially similar notes of the new company. If this occurs, we must make a concurrent offer to repurchase the notes at a price equal to 100% of the principal amount.

As a result of the acquisition of OfficeMax, Standard and Poor's Rating Services and Moody's Investors Services, Inc., lowered our credit ratings to BB and Ba2, respectively, which are both below investment grade. If we regain investment-grade ratings with both credit rating agencies, the senior note covenants discussed above will be automatically replaced with the covenants found in our other public debt, except that a restriction on subsidiary indebtedness will remain.

Adjustable Conversion-Rate Equity Security Units

In December 2001, Boise Cascade Trust I issued 3,450,000 7.5% adjustable conversion-rate equity security units to the public at an aggregate offering price of \$172.5 million. Boise Cascade Trust I is a statutory business trust wholly owned by the company. There are two components of each unit. Investors received a preferred security issued by the trust with a liquidation amount of \$50, which is mandatorily redeemable in December 2006. The trust will terminate upon the redemption of the preferred securities. From each unit, investors receive a quarterly distribution at the annual rate of 7.5%. The rate will be repriced in September 2004 based on then-market rates of return. Investors also have a contract to purchase \$50 worth of common shares of Boise in December 2004, subject to a collar arrangement. For each unit, investors will receive between 1.2860 and 1.5689 of our common shares, depending on the average trading price of our common stock at that time. We will receive \$50 per unit or \$172.5 million. The units trade on the New York Stock Exchange under ticker symbol BEP.

The trust used the proceeds from the offering to purchase debentures issued by Boise. These debentures are 7.5% senior, unsecured obligations that mature in December 2006. They carry the same payment terms as the preferred securities issued by the trust. We irrevocably guarantee the trust's distributions on the preferred securities. Our guarantee is senior and unsecured and is limited to the funds the trust receives from the debentures.

In December 2003, the FASB issued a revised FASB Interpretation No. 46, Consolidation of Variable Interest Entities. Interpretation No. 46, as revised, required us to reclassify \$172.5 million of "Adjustable conversion-rate equity security units" from "Minority Interest" to "Debt" in our Consolidated Balance Sheets and recognize distributions on these securities as "Interest expense" rather than "Minority interest, net of income tax" in our Consolidated Statements of Income (Loss). As allowed by the FASB's revised Interpretation No. 46, prior years' financial statements were reclassified to conform with the current year's presentation. In all periods presented, there was no net effect on earnings, and the reclassification of these securities to debt did not affect our financial covenants.

Other

During second quarter 2003, we agreed to enter into a \$33.5 million sale-leaseback of equipment at our integrated wood-polymer building materials facility near Elma, Washington. The sale-leaseback has a base term of seven years and an interest rate of 4.67%, was accounted for as a financing arrangement, and is included in "Long-term debt, less current portion" in our Consolidated Balance Sheet.

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At December 31, 2003 and 2002, we had \$5.2 million and \$28.0 million of short-term borrowings outstanding. The minimum and maximum amounts of combined short-term borrowings outstanding were \$0 and \$117.4 million during the year ended December 31, 2003, and were \$0 and \$304.5 million during the year ended December 31, 2002. The average amounts of short-term borrowings outstanding during the years ended December 31, 2003 and 2002, were \$32.3 million and \$49.9 million. For 2003 and 2002, the average interest rates for these borrowings were 1.9% and 2.5%.

We have guaranteed the debt used to fund an employee stock ownership plan (ESOP) that is part of the Savings and Supplemental Retirement Plan for our U.S. salaried employees (see Note 13, Retirement and Benefit Plans). We have recorded the debt in our Consolidated Balance Sheets, along with an offset in the shareholders' equity section that is titled "Deferred ESOP benefit." We have guaranteed tax indemnities on the ESOP debt.

Schedule of Long-term Debt

Long-term debt, almost all of which is unsecured, consists of the following:

	December 31	
	2003(a)	2002
	(thousands)	
7.05% notes, due in 2005, net of unamortized discount of \$65,000	\$ 152,279	\$ 153,264
7.50% notes, due in 2008, net of unamortized discount of \$108,000	149,892	149,865
9.45% debentures, due in 2009, net of unamortized discount of \$131,000	149,869	149,846
6.50% notes, due in 2010	300,000	—
7.00% notes, due in 2013	200,000	—
7.35% debentures, due in 2016, net of unamortized discount of \$65,000	124,935	124,930
Medium-term notes, Series A, with interest rates averaging 7.4% and 7.6%, due in varying amounts annually through 2019	337,705	412,705
Revenue bonds, with interest rates averaging 6.4% and 6.4%, due in varying amounts annually through 2029, net of unamortized discount of \$82,000	232,498	232,463
American & Foreign Power Company Inc. 5% debentures, due in 2030, net of unamortized discount of \$725,000	17,801	17,869
Revolving credit borrowings, with interest rates averaging 4.1% and 4.4%	210,000	250,000
Credit agreement, with interest rates averaging 3.3%	150,000	—
Other indebtedness, with interest rates averaging 3.9% and 2.5%, due in varying amounts annually through 2017	57,913	22,107
	2,082,892	1,513,049
Less current portion	83,016	125,651
	1,999,876	1,387,398
Adjustable conversion-rate equity security units	172,500	172,500
Guarantee of 9.5% ESOP debt, due in installments through 2004	19,087	51,448
	\$ 2,191,463	\$ 1,611,346

(a) The amount of net unamortized discount disclosed applies to long-term debt outstanding at December 31, 2003.

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At December 31, 2003, we had \$143 million of unused borrowing capacity registered with the Securities and Exchange Commission (SEC) for additional debt securities.

The 9.45% debentures, issued in October 1989, contain a provision under which, in the event of the occurrence of both a designated event, as defined (generally a change of control or a major distribution of assets) and a subsequent rating decline, as defined, the holders of these securities may require Boise to redeem the securities.

The scheduled payments of long-term debt are \$83.0 million in 2004, \$602.0 million in 2005, \$42.3 million in 2006, \$29.4 million in 2007, and \$159.2 million in 2008. Of the total amount in 2005, \$210.0 million represents the amount outstanding at December 31, 2003, under our revolving credit

agreement. In addition, in 2004, the ESOP trust will retire \$19.1 million of debt that we have guaranteed, and in 2006, we will pay \$172.5 million for the redemption of our adjustable conversion-rate equity security units.

Cash payments for interest, net of interest capitalized, were \$128.3 million in 2003, \$127.4 million in 2002, and \$130.0 million in 2001.

12. Financial Instruments

Our debt is predominantly fixed-rate. At December 31, 2003, the estimated current market value of our debt, based on then-current interest rates for similar obligations with like maturities, was approximately \$58 million more than the amount of debt reported in the Consolidated Balance Sheet. The estimated fair values of our other financial instruments, cash and cash equivalents, receivables, and short-term borrowings are the same as their carrying values. In the opinion of management, we do 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 our products are sold, as well as their dispersion across many geographic areas.

Changes in interest and currency rates expose the company to financial market risk. We occasionally use derivative financial instruments, such as interest rate swaps, rate hedge agreements, forward purchase contracts, and forward exchange contracts, to hedge underlying debt obligations or anticipated transactions. We do not use them for trading purposes. For qualifying hedges, the interest rate differential is reflected as an adjustment to interest expense over the life of the swap or underlying debt. Gains and losses related to qualifying hedges of foreign currency firm commitments and anticipated transactions are recorded in other comprehensive income (loss) and recognized in income as adjustments of carrying amounts when the hedged transactions occur. Unrealized gains and losses on all other forward exchange contracts are included in current-period net income (loss).

In November 2003, we entered into a natural gas swap to hedge the variable cash flow risk on 25,000 MMBtu per day of natural gas usage to a fixed price. The swap expires in March 2004. The swap was designated as a cash flow hedge. Accordingly, changes in the fair value of the swap, net of taxes, are recorded in "Accumulated other comprehensive loss" in our Consolidated Balance Sheet. The swap was fully effective in hedging the changes in the index price of the hedged item.

Effective January 2004, we entered into two electricity swaps that convert 7 and 36 megawatts of usage per hour to a fixed price. These swaps expire December 31, 2004. These swaps were designated as cash flow hedges. Beginning in 2004, the changes in the fair value of the swaps, net of taxes, were recorded in "Accumulated other comprehensive loss" in our Consolidated Balance Sheet.

In March 2002, we entered into an interest rate swap with a notional amount of \$50 million. This swap converts \$50 million of fixed-rate \$150 million 7.05% debentures to variable-rate debt

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based on six-month LIBOR plus approximately 2.2%. The effective interest rates at December 31, 2003 and 2002, were 3.5% and 3.6%. The swap expires in May 2005. This swap is designated as a fair value hedge of a proportionate amount of the fixed-rate debentures. The swap and debentures are marked to market, with changes in the fair value of the instruments recorded in income (loss). This swap was fully effective in hedging the changes in the fair value of the hedged item; accordingly, changes in the fair value of this instrument had no net effect on our reported net income (loss).

In January 2002, we entered into electricity and natural gas swaps that converted 40 megawatts and 6,000 MMBtu of usage to a fixed rate. The electricity swap expired at the end of 2002, and the natural gas swaps expired in March 2003. In August 2002, we entered into an electricity swap that converted 36 megawatts of usage in the Northwest to a fixed rate. This swap expired at the end of 2003. All of the swaps were designated as cash flow hedges. Accordingly, changes in the fair value of the swaps, net of taxes, were recorded in "Accumulated other comprehensive loss" in our Consolidated Balance Sheets. These swaps were fully effective in hedging the changes in the fair value of the hedged items.

In February 2001, we entered into two interest rate swaps with notional amounts of \$50 million each, one that matured in February 2003 and one that matured in February 2004. In November 2001, we entered into an interest rate swap with a notional amount of \$50 million that will mature in November 2004. The swaps hedged the variable cash flow risk from the variable interest payments on \$100 million and \$150 million of our LIBOR-based debt in 2003 and 2002. The effective interest rates from the swaps in 2003 and 2002 were 3.4% and 3.3%. Changes in the fair value of these swaps, net of taxes, were recorded in "Accumulated other comprehensive loss" and reclassified to "Interest expense" as interest expense was recognized on the LIBOR-based debt. Amounts reclassified in 2003, 2002, and 2001 increased interest expense by \$3.0 million, \$3.2 million, and \$1.4 million, respectively. Assuming no change in interest rates, \$1.7 million would be reclassified in 2004. Ineffectiveness related to these hedges was not significant.

We are exposed to modest credit-related risks in the event of nonperformance by counterparties to these forward exchange contracts and interest rate swaps. However, we do not expect the counterparties, which are all major financial institutions, to fail to meet their obligations.

13. Retirement and Benefit Plans

Pension and Other Postretirement Benefit Plans

Some of our employees are covered by noncontributory defined benefit pension plans. The Boise Office Solutions, Retail, employees, among others, do not participate in the pension plans. The pension benefit for salaried employees is based primarily on the employees' years of service and highest five-year average compensation. The benefit for hourly employees is generally based on a fixed amount per year of service. Our contributions to our pension plans vary from year to year, but we have made at least the minimum contribution required by law each year. We use a December 31 measurement date for our pension plans.

We have experienced rapidly increasing retirement benefit plan costs. In response to escalating costs, our Retirement Committee approved the following changes to our pension plan for salaried employees: (1) no new entrants into the plan effective November 1, 2003; (2) a reduction in the service crediting rate for years of service earned after December 31, 2003, from 1.25% to 1%; and (3) for Boise Office Solutions, Contract, participants, a benefit freeze effective December 31, 2003, with one additional year of service provided to active Boise Office Solutions, Contract, employees on January 1, 2004, at the 1% crediting rate. The benefit freeze at our Boise Office Solutions, Contract, segment affects about 7,650 of our 55,618 employees.

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We also sponsor contributory savings and supplemental retirement plans for most of our salaried and hourly employees. The program for salaried employees includes an employee stock ownership plan (ESOP). Boise Office Solutions, Retail, employees do not participate in the ESOP. In addition, employees hired after November 1, 2003, do not participate in the ESOP. Under that plan, our Series D ESOP convertible preferred stock (see Note 14, Shareholders' Equity) is being allocated to eligible participants through 2004, as principal and interest payments are made on the ESOP debt by the plan and guaranteed by the company. Total expense for these plans was \$34.8 million in 2003, \$31.1 million in 2002, and \$27.9 million in 2001.

We also have postretirement healthcare benefit plans. The type of retiree healthcare benefits and the extent of coverage vary based on employee classification, date of retirement, location, and other factors. All of our postretirement healthcare plans are unfunded. We explicitly reserve the right to amend or terminate our 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, our ability to amend or terminate these plans. Amendment or termination may significantly affect the amount of expense incurred.

On December 8, 2003, the President signed into law the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act). The Act introduces a Medicare prescription drug benefit as well as a federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare benefit. As allowed by FASB Staff Position 106-1, Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003, we have elected to defer recognizing the effects of the Act on our accumulated postretirement benefit obligation and net periodic postretirement benefit cost in the consolidated financial statements and notes to consolidated financial statements until authoritative guidance on the accounting for the federal subsidy is issued. The FASB plans to issue authoritative guidance on the accounting for subsidies later in 2004. When the authoritative guidance is issued, we may be required to change previously reported information.

Obligations and Funded Status

The following table, which includes only company-sponsored plans, reconciles the beginning and ending balances of our benefit obligation. It also shows the fair value of plan assets and aggregate funded status of our plans, including amounts not recognized and recognized in our Consolidated Statements of Income at December 31, 2003 and 2002. The funded status changes

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from year to year based on the investment return from plan assets, contributions, benefit payments, and the discount rate used to measure the liability.

	Pension Benefits		Other Benefits	
	2003	2002	2003	2002
	(thousands)			
Change in benefit obligation				
Benefit obligation at beginning of year	\$ 1,610,340	\$ 1,472,389	\$ 105,860	\$ 98,078
Service cost	41,695	36,646	1,686	1,471
Interest cost	105,534	103,554	6,926	7,056
Amendments	367	291	(1,366)	(1,955)
Actuarial loss	90,652	83,441	5,001	10,314
Changes due to exchange rates	—	—	1,755	97
Closures and curtailments	(24,847)	25	—	—
Benefits paid	(90,842)	(86,006)	(9,844)	(9,201)
Benefit obligation at end of year	\$ 1,732,899	\$ 1,610,340	\$ 110,018	\$ 105,860
Change in plan assets				
Fair value of plan assets at beginning of year	\$ 1,000,568	\$ 1,149,458	\$ —	\$ —
Actual return on plan assets	276,085	(113,221)	—	—
Employer contributions	84,513	48,000	—	—
Benefits paid	(88,647)	(83,669)	—	—
Fair value of plan assets at end of year	\$ 1,272,519	\$ 1,000,568	\$ —	\$ —
Funded status	\$ (460,380)	\$ (609,772)	\$ (110,018)	\$ (105,860)
Unrecognized actuarial loss	484,599	617,295	21,841	17,856
Unrecognized transition obligation	—	—	5,451	4,775
Unrecognized prior service cost (benefit)	28,938	35,523	(4,497)	(5,537)
Net amount recognized	\$ 53,157	\$ 43,046	\$ (87,223)	\$ (88,766)

The following table shows the amounts recognized in our Consolidated Balance Sheets. The prepaid benefit cost and intangible assets are included in "Other assets." The accrued benefit liability is included in "Other, compensation and benefits," net of a current portion of \$111.4 million and \$92.6 million at December 31, 2003 and 2002, respectively. The current portion is reflected in "Accrued liabilities, compensation and benefits."

Pension Benefits

Other Benefits

Rate of compensation increase	4.25%	4.50%	4.75%	—	—	—	—	—	—
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The following table presents the assumptions used in the measurement of net periodic benefit cost:

	Pension Benefits			Other Benefits					
				United States			Canada		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
Weighted average assumptions as of December 31									
Discount rate	6.75%	7.25%	7.25%	6.75%	7.25%	7.25%	6.75%	7.00%	7.00%
Expected return on plan assets	8.50%	9.25%	9.75%	—	—	—	—	—	—
Rate of compensation increase	4.50%	4.75%	4.75%	—	—	—	—	—	—

We base our expected long-term rate of return on plan assets on a weighted average of our expected returns for the major asset classes in which we invest. Asset class expected returns are based on long-term historical returns, inflation expectations, forecasted gross domestic product and earnings growth, and other economic factors. The weights we assign each asset class are based on our investment strategy. Our weighted-average expected return on plan assets used in our calculation of 2004 net periodic benefit cost is 8.25%.

The following table presents our assumed healthcare cost trend rates at December 31, 2003 and 2002:

	United States		Canada	
	2003	2002	2003	2002
Weighted average assumptions as of December 31				
Healthcare cost trend rate assumed for next year	9.00%	10.00%	8.40%	8.80%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%	6.00%	6.00%
Year that the rate reaches the ultimate trend rate	2008	2008	2010	2010

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects:

	One-Percentage-Point Increase		One-Percentage-Point Decrease	
	(thousands)			
Effect on total of service and interest cost	\$	401	\$	(320)
Effect on postretirement benefit obligation		3,862		(3,189)

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Plan Assets

Our pension plan asset allocations at December 31, 2003 and 2002, by asset category are as follows:

Asset Category	Plan Assets at December 31	
	2003	2002
U.S. equity securities	50.8%	47.9%
International equity securities	14.8%	13.1%
Fixed-income securities	33.8%	39.0%
Other	.6%	—
	100%	100%

Our Retirement Funds Investment Committee is responsible for establishing and overseeing the implementation of our investment policy. The investment policy is structured to optimize growth of the pension plan trust assets, while minimizing the risk of significant losses, in order to enable the plans to satisfy their benefit payment obligations over time. We currently invest primarily in U.S. equities, international equities, and fixed-income securities. We use benefit payments and sponsor contributions as our primary rebalancing mechanisms to maintain our asset class exposures within the guideline ranges established under the investment policy.

Our current guidelines set forth a fixed income range of 25% to 40%, a U.S. equity range of 45% to 60%, and an international equity range of 12.5% to 17.5%. We adjust our asset class positions within the ranges based on our expectations for future returns, our funded position, and market risks. Occasionally, we

Compensation Plan, which was approved by shareholders in 1992 and expired on January 1, 2003. A total of 75,000 shares of common stock are reserved for issuance under the 2003 DSCP. The provisions of the 2003 DSCP are substantially similar to the previous plan. The 2003 DSCP permits nonemployee directors to elect to receive grants of options to purchase shares of our common stock in lieu of cash compensation. The difference between the \$2.50-per-share exercise price of 2003 DSCP options and the market value of the common stock subject to the options is intended to offset the cash compensation that participating directors elect not to receive. Options expire three years after the holder ceases to be a director.

The 2003 Plan was effective January 1, 2003, and replaces the Key Executive Performance Plan for Executive Officers, Key Executive Performance Plan for Key Executives/Key Managers, 1984 Key Executive Stock Option Plan (KESOP), Key Executive Performance Unit Plan (KEPUP), and Director Stock Option Plan (DSOP), which are discussed below. No further grants or awards will be made under the Key Executive Performance Plans, KESOP, KEPUP, or DSOP after 2003. A total of 5,950,169 shares of common stock are reserved for issuance under the 2003 Plan. Our executive officers, key employees, and nonemployee directors are eligible to receive awards under the 2003 Plan at the discretion of the Executive Compensation Committee of the Board of Directors. Eight types of awards may be granted under the 2003 Plan, including (1) stock options, (2) stock appreciation rights, (3) restricted stock, (4) restricted stock units, (5) performance units, (6) performance shares, (7) annual incentive awards, and (8) stock bonus awards.

Restricted Stock and Restricted Stock Units

In 2003, we granted to employees 1.2 million shares of restricted stock and 0.1 million restricted stock units (collectively "restricted stock"). The weighted-average grant-date fair value of the restricted stock was \$25.09. The restricted stock vests at the end of July 2006, provided, however, that if specific performance criteria are met, some or all of the restricted stock may vest earlier than July 2006, but generally no earlier than the end of January 2005. Based on a rise in Boise's stock price, 75% of the award may vest in January 2005, subject to other performance criteria, as applicable. Vesting of the remaining 25% of the award can accelerate if additional stock price targets are achieved in the future.

The restricted stock is issued and outstanding. However, because the stock is restricted, in accordance with the requirements of SFAS No. 123, no entries were made in our financial statements upon issuance of the award. We recognize compensation expense over the vesting period based on closing stock prices on the dates of grant. In 2003, we recognized \$6.5 million of pretax compensation expense related to the restricted stock awards. As we recognize compensation expense, "Additional paid-in-capital" is increased in shareholders' equity. The restricted shares are not included as shares outstanding in the calculation of basic earnings per share but are included in the number of shares used to calculate diluted earnings per share. The restricted stock receives the same dividend as our common shares outstanding. However, dividends on the restricted stock are not paid until the restrictions lapse and are recorded as dividends payable.

Stock Units

We have a deferred compensation program (approved by our shareholders) for our executive officers that allows them to defer a portion of their cash compensation. They may choose to allocate their deferrals to a stock unit account. Each stock unit is equal in value to one share of our common stock. We match deferrals used to purchase stock units with a 25% company allocation of stock units. Allocated stock units accumulate imputed dividends in the form of additional stock units equal to dividends on common stock that are charged to compensation expense. We will pay out the value of deferred stock unit accounts in shares of our common stock when an officer retires or

terminates employment. At December 31, 2003, 158,667 stock units were allocated to the accounts of these executive officers.

Stock Options

In 2002 and 2001, we had the following shareholder-approved stock option plans: the BCC Key Executive Stock Option Plan (KESOP), the BCC Director Stock Option Plan (DSOP), and the BCC Director Stock Compensation Plan (DSCP). In 2003, options were granted under the 2003 DSCP and 2003 Plan (discussed above). No further grants will be made under the KESOP, DSOP, and DSCP.

The KESOP provided for the grant of options to purchase shares of our common stock to key employees of the company. The exercise price was equal to the fair market value of our common stock on the date the options were granted. Options expire, at the latest, ten years and one day following the grant date.

The DSOP, available only to nonemployee directors, provided for annual grants of options. The exercise price was equal to the fair market value of our common stock on the date the options were granted. The options expire the earlier of three years after the director ceases to be a director or ten years after the grant date.

The DSCP permitted nonemployee directors to elect to receive grants of options to purchase shares of our common stock in lieu of cash compensation. The difference between the \$2.50-per-share exercise price of DSCP options and the market value of the common stock subject to the options was intended to offset the cash compensation that participating directors elected not to receive. The options expire three years after the holder ceases to be a director.

Under the KESOP and DSOP, options may not, except under unusual circumstances, be exercised until one year following the grant date. Under the DSCP, options may be exercised six months after the grant date.

A summary of the status of stock options at December 31, 2003, 2002, and 2001 and the changes during the years then ended is presented in the table below:

	2003		2002		2001	
	Shares	Wtd. Avg. Ex. Price	Shares	Wtd. Avg. Ex. Price	Shares	Wtd. Avg. Ex. Price
Balance at beginning of year	8,916,550	\$ 31.95	7,156,418	\$ 32.99	6,007,259	\$ 31.52
Options granted	48,477	19.05	2,038,844	27.64	1,959,588	35.42
Options exercised	(319,139)	23.41	(218,462)	23.78	(717,639)	26.60
Options forfeited and	(188,000)	33.68	(60,250)	39.00	(92,790)	38.42

expired

Balance at end of year	8,457,888	32.16	8,916,550	31.95	7,156,418	32.99
Exercisable at end of year	8,409,411		6,877,706		5,198,920	
Weighted average fair value of options granted (Black-Scholes)	\$13.00		\$7.12		\$10.21	

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The following table provides summarized information about stock options outstanding at December 31, 2003:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Options Outstanding	Weighted Average Contractual Life (Years)	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
\$ 2.50	65,489	—	\$ 2.50	53,012	\$ 2.50
\$18.00 — \$28.00	3,356,158	7.38	27.28	3,320,158	27.31
\$28.01 — \$39.00	4,484,341	5.78	34.82	4,484,341	34.82
\$39.01 — \$44.00	551,900	1.63	43.74	551,900	43.74

Other

In September 1995, our board of directors authorized us to purchase up to 4.3 million shares of our common stock. As part of this authorization, we repurchase odd-lot shares (fewer than 100 shares) from shareholders wishing to exit their holdings in our common stock. We retire the shares that we repurchase under this program. Since 1995, we have repurchased 45,762 shares of our common stock, including 1,096 shares in 2003.

15. Cost-Reduction Program, Restructuring Activities, and Facility Closures

2003 Cost-Reduction Program

In March 2003, we announced measures to reduce 2003 operating costs by approximately \$45 million, net of severance costs. We took these actions because of higher pension costs, higher energy costs, business disruptions from severe winter weather in the eastern United States, and global political uncertainty. We reduced operating costs by freezing salaries, restricting hiring, reducing discretionary spending at all levels of the company, and eliminating approximately 700 positions. We are eliminating these positions by terminating approximately 550 employees and leaving vacant positions unfilled. At December 31, 2003, we had terminated approximately 465 employees.

Under our severance policy, we recorded a pretax charge of \$10.1 million for employee-related costs in "Other (income) expense, net" in the Consolidated Statement of Income. We recorded these costs in accordance with the provisions of SFAS No. 112, Employers' Accounting for Postemployment Benefits. We recorded \$9.2 million in the Boise Office Solutions, Contract, segment; \$0.2 million in the Boise Paper Solutions segment; and \$0.7 million in our Corporate and Other segment. Employee-related costs are primarily for severance payments, most of which were paid in 2003 with the remainder to be paid in 2004. This item decreased net income \$6.1 million for the year ended December 31, 2003.

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The reserve liability for the cost-reduction program is included in "Accrued liabilities, other," in the accompanying Consolidated Balance Sheet. Reserve liability activity related to the 2003 charge is as follows:

	Employee-Related Costs
	(thousands)
2003 expense recorded	\$ 10,100
Charges against reserve	(7,800)
Balance at December 31, 2003	\$ 2,300

2001 Restructuring Activities

In February 2001, we announced the permanent closure of our plywood and lumber operations in Emmett, Idaho, and our sawmill in Cascade, Idaho, due to the significant decline in federal timber offered for sale. We completed these closures in second quarter 2001, and 373 positions were eliminated. In first quarter 2001, we recorded a pretax charge of \$54.0 million related to these closures. For the year ended December 31, 2001, sales for our Idaho operations were \$66.0 million, and our operating loss was \$5.8 million.

In addition, in first quarter 2001, we wrote off our investment in assets in Chile with a pretax charge of \$4.9 million. We recorded both of these charges in our Boise Building Solutions segment and in "Other (income) expense, net" in the Consolidated Statement of Loss for the year ended December 31, 2001.

We recorded asset write-downs for plant and equipment at the closed Idaho facilities and the write-off of our equity investment in and related receivables from a joint venture in Chile. Employee-related costs included pension curtailment costs rising from the shutdowns of the Idaho facilities and severance costs. We recorded other exit costs, including tear-down and environmental cleanup costs related to the Idaho facilities and reserves for contractual obligations with no future benefit. These restructuring reserve liabilities were included in "Accrued liabilities, other" in the Consolidated Balance Sheets. In 2003, we reclassified \$2.3 million of reserves established for environmental cleanup costs at the Idaho facilities to "Other long-term liabilities" in the Consolidated Balance Sheet. The remaining environmental cleanup is expected to take seven years, after which postclosing monitoring will be ongoing.

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Restructuring reserve liability account activity related to these 2001 charges is as follows:

	Asset Write- Downs	Employee- Related Costs	Other Exit Costs	Total
	(thousands)			
2001 expense recorded	\$ 21,300	\$ 15,000	\$ 22,600	\$ 58,900
Assets written down	(21,300)	—	—	(21,300)
Pension liabilities recorded	—	(9,600)	—	(9,600)
Charges against reserve	—	(5,000)	(10,100)	(15,100)
Restructuring reserve at December 31, 2001	—	400	12,500	12,900
Proceeds from sales of assets	—	—	1,500	1,500
Charges against reserve	—	(400)	(7,400)	(7,800)
Restructuring reserve at December 31, 2002	—	—	6,600	6,600
Charges against reserve	—	—	(3,800)	(3,800)
Reclassification to other long-term liabilities	—	—	(2,300)	(2,300)
Reserves credited to income	—	—	(500)	(500)
Restructuring reserve at December 31, 2003	\$ —	\$ —	\$ —	\$ —

An analysis of total restructuring reserve liability account activity is as follows:

	Year Ended December 31		
	2003	2002	2001
	(thousands)		
Balance at beginning of year	\$ 7,000	\$ 14,500	\$ 3,900
Current-year reserves			
Charges to income	10,100	—	28,000
Proceeds from sales of assets	—	1,500	—
Charges against reserve	(11,700)	(8,250)	(16,400)
Reclassification to other long-term liabilities	(2,300)	—	—
Reserves credited to income	(800)	(750)	(1,000)
Balance at end of year	\$ 2,300	\$ 7,000	\$ 14,500

Facility Closures

Prior to our acquisition of OfficeMax, OfficeMax had identified and closed underperforming facilities. As part of our purchase price allocation, we recorded \$58.7 million of reserves for the estimated fair value of future liabilities associated with these closures. We recorded \$44.6 million in "Other long-term liabilities" and \$14.1 million in "Accrued liabilities, other" in our Consolidated Balance Sheet. These reserves related primarily to future lease termination costs, net of estimated sublease income.

In addition to these store closures and in connection with the OfficeMax acquisition, we reviewed the stores we acquired and identified 45 facilities that are no longer strategically or economically viable. We expect to close these stores by the end of second quarter 2004, eliminating approximately 1,100 employee positions. Approximately 500 people will be offered transfers to other stores. In identifying stores to be closed, we evaluated their market and financial performance and lease terms. In the store closing analysis, we considered several factors, including

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historical and projected operating results, anticipated impact of current and future competition, future lease liability and real estate value, size, and capital spending requirements.

In accordance with the provisions of EITF 95-3, Recognition of Liabilities in Connection With a Purchase Business Combination, we recorded \$53.7 million of store closure reserves in "Other long-term liabilities" and \$15.7 million in "Accrued liabilities, other." These reserves included \$67.5 million of lease termination costs, net of estimated sublease income, and \$1.9 million of other closure costs, primarily severance. These charges were accounted for as exit activities in connection with the acquisition, and we did not recognize a charge to income in our Consolidated Statement of Income. Most of the cash expenditures for these closed stores will be made over the remaining lives of the operating leases, which range from one month to 13 years.

We have not completed our integration plans for the acquired business. We have one year from the purchase date to develop our integration plans and adjust for changes in estimates of the fair value of assets acquired and liabilities assumed. We are evaluating the combined office products business to determine what opportunities for additional consolidation of operations may be appropriate. For example, we are developing plans for the rationalization of U.S. delivery warehouses from 59 at year-end 2003 to 25 to 30 by 2006, and consolidation of U.S. customer service centers and outbound sales centers from eight to six, by 2005. When the costs are determined, they will either increase the amount of goodwill recorded or decrease net income, depending on the nature of the costs. We will record the costs of the additional closures in 2004.

16. Segment Information

In December 2003, we acquired OfficeMax, Inc. (see Note 2, OfficeMax Acquisition). OfficeMax is now a subsidiary of Boise Cascade Corporation. After the acquisition Boise Office Solutions, our office products distribution business began reporting two segments, Boise Office Solutions, Contract, and Boise Office Solutions, Retail. Accordingly, in December 2003, we began reporting our business using five (rather than four) reportable segments: Boise Office Solutions, Contract; Boise Office Solutions, Retail; Boise Building Solutions; Boise Paper Solutions; and Corporate and Other. Each of these segments represents a business with differing products, services, and/or distribution channels. Each of these businesses requires distinct operating and marketing strategies. Management reviews the performance of the company based on these segments.

Boise Office Solutions, Contract, markets and sells office supplies and paper, technology products, and office furniture. This segment markets and sells through field salespeople, catalogs, the Internet, and stores. It includes sales generated by the OfficeMax field salespeople, catalogs, and E-commerce business after December 9, 2003. Substantially all the products sold by this segment, except office papers, are purchased from outside manufacturers or from industry wholesalers. Office papers are sourced primarily from our paper operations.

Boise Office Solutions, Retail, which operates under the trade name OfficeMax, markets and sells office supplies and paper, technology products, and office furniture through office supply superstores. OfficeMax superstores feature CopyMax® and FurnitureMax® in-store modules devoted to print-for-pay services and office furniture. In 2003, all the products sold by this segment were purchased from outside manufacturers or from industry wholesalers. In 2004, we expect to source office papers from our paper operations.

Boise Building Solutions manufactures, markets, and distributes various products that are used for construction. These products include structural panels (plywood and oriented strand board), engineered wood products, lumber, particleboard, and building supplies. Most of these products are sold to independent wholesalers and dealers or through our own wholesale building materials distribution outlets.

Boise Paper Solutions manufactures, markets, and distributes uncoated free sheet papers (office papers, printing grades, forms bond, envelope papers, and value-added papers), containerboard, corrugated containers, newsprint, and market pulp. With the exception of newsprint, these products are sold to distributors, industrial customers, and our office products business, primarily by our own sales personnel. Boise Office Solutions sells these products directly to large corporate, government, and small and medium-sized offices. Newsprint is marketed by Abitibi-Consolidated Company of Canada.

Corporate and Other includes corporate support staff services and related assets and liabilities.

The segments' profits and losses are measured on operating profits before interest expense, income taxes, minority interest, extraordinary items, and cumulative effect of accounting changes. Specified expenses are allocated to the segments. For some of these allocated expenses, the related assets and liabilities remain in the Corporate and Other segment.

The segments follow the accounting principles described in Note 1, Summary of Significant Accounting Policies. Sales between segments are recorded primarily at market prices.

No single customer accounts for 10% or more of consolidated trade sales. Boise's export sales to foreign unaffiliated customers were \$127.2 million in 2003, \$124.3 million in 2002, and \$127.8 million in 2001.

During 2003, 2002, and 2001, Boise Office Solutions, Contract, had foreign operations in Canada, Mexico, Australia, and New Zealand. In 2003, Boise Office Solutions, Retail, had foreign operations in Mexico through its 51%-owned joint venture. This segment also had operations in Puerto Rico and the U.S. Virgin Islands, which are included with our operations in the United States. Boise Building Solutions has a small wood I-joint plant in Canada that was acquired in June 2000. In late 2001, we started up a veneer and plywood plant in Brazil. We also have a 47% interest in an oriented strand board plant in Canada, for which we account under the equity method.

The following table summarizes net sales and long-lived assets by geography:

Year Ended December 31		
2003	2002	2001
(millions)		

Net sales				
United States	\$	7,291.9	\$ 6,605.3	\$ 6,620.5
Foreign		953.2	807.0	801.7
	\$	8,245.1	\$ 7,412.3	\$ 7,422.2
Long-lived assets				
United States	\$	4,541.7	\$ 3,423.8	\$ 3,474.4
Foreign		333.2	227.9	214.5
	\$	4,874.9	\$ 3,651.7	\$ 3,688.9

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Segment sales to external customers by product line are as follows:

	Year Ended December 31			
	2003	2002	2001	
	(millions)			
Boise Office Solutions, Contract				
Office supplies and paper	\$	2,231.6	\$ 2,179.4	\$ 2,133.1
Technology products		1,124.7	1,021.0	1,023.4
Office furniture		383.3	342.9	377.5
		3,739.6	3,543.3	3,534.0
Boise Office Solutions, Retail				
Office supplies and paper		91.6	—	—
Technology products		161.1	—	—
Office furniture		30.5	—	—
		283.2	—	—
Total Boise Office Solutions				
Office supplies and paper		2,323.2	2,179.4	2,133.1
Technology products		1,285.8	1,021.0	1,023.4
Office furniture		413.8	342.9	377.5
		4,022.8	3,543.3	3,534.0
Boise Building Solutions				
Structural panels		939.3	689.0	725.8
Engineered wood products		433.1	352.2	323.6
Lumber		741.0	774.4	759.2
Particleboard		54.4	66.8	66.9
Building supplies and other		679.1	564.3	485.3
		2,846.9	2,446.7	2,360.8
Boise Paper Solutions				
Uncoated free sheet		614.9	669.2	753.9
Containerboard and corrugated containers		370.8	387.5	427.7
Newsprint		160.3	142.9	197.4
Market pulp and other		206.5	198.4	125.7
		1,352.5	1,398.0	1,504.7
Corporate and Other				
		22.9	24.3	22.7
	\$	8,245.1	\$ 7,412.3	\$ 7,422.2

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An analysis of our operations by segment is as follows:

	Selected Components of Income (Loss)								
	Sales			Income (Loss) Before Taxes(a)(b)	Equity in Net Income (Loss) of Affiliates	Depreciation, Amortization, and Cost of Company Timber Harvested	Capital Expendi- tures	Assets	Invest- ments in Equity Affiliates
	Trade	Inter- segment	Total						
	(millions)								
Year Ended December 31, 2003									
Boise Office Solutions, Contract	\$ 3,739.6	\$ 2.3	\$ 3,741.9	\$ 109.4	\$.1	\$ 66.1	\$ 184.6	\$ 1,441.3	\$.1
Boise Office Solutions, Retail	283.2	—	283.2	6.1	—	2.8	1,259.2	2,265.7	—
	4,022.8	2.3	4,025.1	115.5	.1	68.9	1,443.8	3,707.0	.1
Boise Building Solutions	2,846.9	25.0	2,871.9	95.4	8.7	45.5	55.8	948.2	44.2
Boise Paper Solutions	1,352.5	500.1	1,852.6	(13.9)	—	182.0	127.8	2,501.2	—
Corporate and Other	22.9	55.0	77.9	(45.2)	—	11.9	6.9	297.2	—
	8,245.1	582.4	8,827.5	151.8	8.8	308.3	1,634.3	7,453.6	44.3
Intersegment eliminations	—	(582.4)	(582.4)	—	—	—	—	(77.4)	—
Interest expense	—	—	—	(132.5)	—	—	—	—	—
	\$ 8,245.1	\$ —	\$ 8,245.1	\$ 19.3	\$ 8.8	\$ 308.3	\$ 1,634.3	\$ 7,376.2	\$ 44.3
Year Ended December 31, 2002									
Boise Office Solutions, Contract	\$ 3,543.3	\$ 2.5	\$ 3,545.8	\$ 123.0	\$ (1.0)	\$ 63.1	\$ 57.3	\$ 1,266.3	\$.1
Boise Building Solutions	2,446.7	23.0	2,469.7	39.7	(.6)	47.0	93.9	900.1	35.5
Boise Paper Solutions	1,398.0	480.0	1,878.0	38.6	—	185.1	106.4	2,497.4	—
Corporate and Other	24.3	51.7	76.0	(81.8)	(.8)	11.8	8.6	348.0	—
	7,412.3	557.2	7,969.5	119.5	(2.4)	307.0	266.2	5,011.8	35.6
Intersegment eliminations	—	(557.2)	(557.2)	—	—	—	—	(64.4)	—
Interest expense	—	—	—	(131.7)	—	—	—	—	—
	\$ 7,412.3	\$ —	\$ 7,412.3	\$ (12.2)	\$ (2.4)	\$ 307.0	\$ 266.2	\$ 4,947.4	\$ 35.6
Year Ended December 31, 2001									
Boise Office Solutions, Contract	\$ 3,534.0	\$ 2.2	\$ 3,536.2	\$ 151.7	\$ (5.2)	\$ 67.2	\$ 76.7	\$ 1,263.5	\$.2
Boise Building Solutions	2,360.8	27.2	2,388.0	(22.3)	(1.7)	46.6	113.5	821.8	36.1
Boise Paper Solutions	1,504.7	437.7	1,942.4	70.7	—	169.3	179.1	2,621.3	—
Corporate and Other	22.7	50.2	72.9	(120.0)	(1.1)	12.9	10.7	287.4	25.9
	7,422.2	517.3	7,939.5	80.1	(8.0)	296.0	380.0	4,994.0	62.2
Intersegment eliminations	—	(517.3)	(517.3)	—	—	—	—	(60.0)	—
Interest expense	—	—	—	(128.7)	—	—	—	—	—
	\$ 7,422.2	\$ —	\$ 7,422.2	\$ (48.6)	\$ (8.0)	\$ 296.0	\$ 380.0	\$ 4,934.0	\$ 62.2

(a) Interest income has been allocated to our segments in the amounts of \$1.2 million for 2003, \$1.5 million for 2002, and \$1.8 million for 2001.

(b) See Note 2, OfficeMax Acquisition; Note 4, Other (Income) Expense, Net; Note 9, Investments in Equity Affiliates; and Note 15, Cost-Reduction Program, Restructuring Activities, and Facility Closures, for an explanation of special items affecting our segments.

17. Commitments and Guarantees

We have commitments for timber contracts, leases, and long-term debt that are discussed further in Note 1, Summary of Significant Accounting Policies; Note 7, Leases; and Note 11, Debt. In addition, we have purchase obligations for goods and services, capital expenditures, and raw materials entered into in the normal course of business.

We have a legal obligation to fund our defined benefit plans. In 2004, if legislative efforts result in a discount rate that is similar to the previous temporary relief package, our required minimum contribution to our pension plans is estimated to be approximately \$55 million (see Note 13, Retirement and Benefit Plans for more information). In 2004, we expect to make contributions to the plans of at least the minimums required or, if legislative relief is passed, approximately \$80 million to \$120 million. Our contributions may change from period to period, based on the performance of plan assets, actuarial valuations, and company discretion within pension laws and regulations.

In accordance with an amended and restated joint-venture agreement, the minority owner of our subsidiary in Mexico, OfficeMax de Mexico, can elect to put its remaining 49% interest in the subsidiary to Boise if earnings targets are achieved. At December 31, 2003, OfficeMax de Mexico had met these earnings targets. These earnings targets are calculated quarterly on a rolling four-quarter basis. Accordingly, the targets can be achieved in one quarter but not in the next. When the earnings targets are achieved and the minority owner elects to put its ownership interest, the purchase price would be equal to fair value, calculated based on the subsidiary's earnings for the last four quarters before interest, taxes, depreciation and amortization, and on current market multiples of similar companies. The fair value purchase price in 2004 is estimated at \$25 million to \$30 million.

We provide guarantees, indemnifications, and assurances to others, which constitute guarantees as defined under FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others.

Boise Cascade Corporation has a contingent obligation to repay money borrowed under an industrial revenue bond issue that was assumed by the purchaser of the facility financed with the proceeds of the bonds. The remaining unpaid principal on this obligation was \$1.3 million at December 31, 2003, and will decline over time as the indebtedness is retired. Full repayment is required by 2007. No liability is recorded in our financial statements for this contingent obligation.

Boise Cascade Corporation has guaranteed the debt used to fund an employee stock ownership plan (ESOP) for our U.S. salaried employees. We have recorded the debt, which totaled \$19.1 million at December 31, 2003, in our Consolidated Balance Sheet. The debt will be repaid in 2004. We have guaranteed tax indemnities on the ESOP debt. Under these indemnities, we would be required to pay additional amounts to the debt holders if the interest payments on the debt were determined to be taxable. Any amounts paid under this tax indemnification would be dependent upon future tax rulings and assessments by the Internal Revenue Service and are not quantifiable at this time.

Boise Cascade Corporation guarantees the obligations and performance of its wholly owned subsidiary, Boise Cascade do Brasil, Ltda., under the terms of timber and stumpage purchase agreements in Brazil. These agreements extend through 2014. Boise Cascade Corporation's exposure is effectively limited to the loss of its investment, which was approximately \$29.7 million at December 31, 2003.

Voyageur Panel, a joint venture in Barwick, Ontario, Canada, has the capacity to produce 440 million square feet of oriented strand board panels annually. We hold 47% of the equity. We have an agreement with Voyageur Panel under which we operate the plant and market its product. We have agreed to advance the purchase price, at prevailing market prices, to Voyageur Panel for

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any finished goods inventory that remains unsold for ten days. We are repaid the amount advanced as the inventory is sold. We also guarantee the creditworthiness of Voyageur Panel's customers and agree to reimburse Voyageur Panel if those customers fail to pay for the products they purchase. There were no advances at December 31, 2003 (see Note 9, Investments in Equity Affiliates).

In December 2001, Boise Cascade Trust I issued adjustable conversion-rate equity security units to the public at an aggregate offering price of \$172.5 million. Boise Cascade Trust I is a statutory business trust wholly owned by Boise Cascade Corporation. The trust used the proceeds from the offering to purchase debentures issued by Boise Cascade Corporation. We irrevocably guarantee the trust's distributions on the preferred securities. Our guarantee is senior and unsecured and is limited to the funds the trust receives from the debentures (see Note 11, Debt).

We have 11 operating leases that have been assigned to other parties but for which we remain contingently liable in the event of nonpayment by the other parties. The lease terms vary and, assuming exercise of renewal options, extend through 2032. Annual rental payments under the leases are approximately \$4.8 million.

Boise Cascade Corporation has guaranteed the obligations of Boise Cascade Office Products (BCOP) under state workers' compensation laws. This liability is unlimited, and the annual amount of the obligations vary depending on BCOP's claims experience. We insure amounts in excess of \$2 million per claim through third-party insurers.

BCOP and OfficeMax have guaranteed the debt of Boise Cascade Corporation under our revolving credit agreement up to the \$560 million aggregate credit limit. At December 31, 2003, \$210 million was outstanding under this agreement. The agreement expires in 2005.

BCOP and OfficeMax have guaranteed the debt of Boise Cascade Corporation under our \$150 million credit agreement. At December 31, 2003, \$150 million was outstanding under the agreement. The agreement expires in 2005.

Boise Cascade Corporation and its affiliates enter into a wide range of indemnification arrangements in the ordinary course of business. These include tort indemnifications, tax indemnifications, indemnifications against third-party claims arising out of arrangements to provide services to us, and indemnifications in merger and acquisition agreements. It is impossible to quantify the maximum potential liability under these indemnifications. At December 31, 2003, we were not aware of any material liabilities arising from these indemnifications.

18. Legal Proceedings and Contingencies

We have been notified that we are a "potentially responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or similar federal and state laws, or have received a claim from a private party, with respect to 16 active sites where hazardous substances or other contaminants are or may be located. In most cases, we are one of many potentially responsible parties, and our alleged contribution to these sites is relatively minor. For sites where a range of potential liability can be determined, we have established appropriate reserves. We believe we have minimal or no responsibility with regard to several other sites. We cannot predict with certainty the total response and remedial costs, our share of the total costs, the extent to which contributions will be available from other parties, or the amount of time necessary to complete the cleanups. Based on our investigations; our 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, we do not believe that the known actual and potential response costs will, in the aggregate, materially affect our financial position or results of operations.

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Over the past several years and continuing into 2004, we have been named a defendant in a number of cases where the plaintiffs allege asbestos-related injuries from exposure to asbestos products or exposure to asbestos while working at job sites. The claims vary widely and often are not specific about the plaintiffs' contacts with the company. None of the claims seeks damages from us individually, and we are generally one of numerous defendants. Many of the cases filed against us have been voluntarily dismissed, although we have settled some cases. The settlements we have paid have been covered mostly by insurance, and we believe any future settlements or judgments in these cases would be similarly covered. To date, no asbestos case against us has gone to trial, and the nature of these cases makes any prediction as to the outcome of pending litigation inherently subjective. At this time, however, we believe our involvement in asbestos litigation is not material to either our financial position or our results of operations.

We are also involved in other litigation and administrative proceedings arising in the normal course of our business. In the opinion of management, our recovery, if any, or our liability, if any, under pending litigation or administrative proceedings, including those described in the preceding paragraphs, would not materially affect our financial position or results of operations.

19. Quarterly Results of Operations (unaudited)

	2003				2002			
	First(a)	Second	Third(b)	Fourth(c)(d)	First	Second(e)	Third	Fourth
(millions, except per-share and stock price information)								
Net sales	\$ 1,853.2	\$ 1,929.0	\$ 2,110.6	\$ 2,352.3	\$ 1,788.2	\$ 1,888.0	\$ 1,935.3	\$ 1,800.8
Income from operations	2	22	77	47	23	7	46	42
Income (loss) before cumulative effect of accounting changes	(19)	(4)	33	7	(7)	3	9	6
Net income (loss)	(28)	(4)	33	7	(7)	3	9	6
Net income (loss) per common share								
Basic	(.53)	(.12)	.51	.05	(.17)	.00	.09	.05
Diluted	(.53)	(.12)	.48	.05	(.17)	.00	.09	.05
Common stock dividends paid per share	.15	.15	.15	.15	.15	.15	.15	.15
Common stock prices(f)								
High	28.15	26.30	29.20	32.89	38.81	37.25	34.74	27.49
Low	20.72	21.48	21.48	26.96	31.52	32.55	22.08	19.61

- (a) Included a pretax charge of \$10.1 million for employee-related costs incurred in connection with the 2003 cost-reduction program (see Note 15, Cost-Reduction Program, Restructuring Activities, and Facility Closures).
- (b) Included a net \$2.9 million, one-time tax benefit related to a favorable tax ruling, net of changes in other tax items.
- (c) Included a \$14.7 million pretax charge for the write-down of impaired assets at our plywood and lumber operations in Yakima, Washington. See Note 4, Other (Income) Expense, Net.
- (d) Included income from the OfficeMax operations for the period from December 10, 2003, through December 27, 2003, and costs, including incremental interest expense, directly related to the acquisition. The net effect of these items reduced income \$4.1 million before taxes, or \$2.5 million after taxes.
- (e) Included a pretax charge of \$23.6 million related to the sale of all stock of our wholly owned subsidiary that held our investment in IdentityNow. We also recorded \$27.6 million of tax benefits associated with this sale and our 2001 write-down of our equity investment (see Note 9, Investments in Equity Affiliates).
- (f) Our common stock (symbol BCC) is traded on the New York Stock Exchange.

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Independent Accountants' Report

To the Board of Directors and Shareholders of Boise Cascade Corporation:

We have audited the accompanying consolidated balance sheets of Boise Cascade Corporation and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boise Cascade Corporation and subsidiaries as of December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 5 and Note 11 to the consolidated financial statements, in 2003 the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 143, Accounting for Asset Retirement Obligations; the fair-value-based method of accounting for stock-based employee compensation using the prospective method of transition under the provisions of SFAS No. 148, Accounting for Stock-Based Compensation—Transition and Disclosure; the guidelines established by the Financial Accounting Standards Board's (FASB) Emerging Issues Task Force Issue No. 02-16, Accounting by a Customer (Including a Reseller) for Certain Consideration Received From a Vendor; and the guidelines of FASB Interpretation No. 46, as revised, Consolidation of Variable Interest Entities. As discussed in Note 10 to the consolidated financial statements, in 2002 the Company adopted the provisions of SFAS No. 142, Goodwill and Other Intangible Assets.

/s/ KPMG LLP

Boise, Idaho
January 29, 2004

Report of Management

Boise's management is responsible for the preparation, integrity, and objectivity of the financial statements and other financial information and representations contained in this annual report on Form 10-K. The financial statements and related notes were prepared in conformity with accounting principles generally accepted in the United States. In preparing the financial statements, management has, when necessary, made judgments and estimates based on currently available information.

Boise's management maintains a comprehensive system of internal controls based on written policies and procedures. We design our system to provide reasonable assurances that assets are safeguarded against loss or unauthorized use, that transactions are executed and recorded in accordance with management's authorization, and that fraudulent financial reporting is detected and prevented. Management bases the concept of reasonable assurances on recognition that the cost of a particular accounting control should not exceed the benefit expected to be derived.

Management communicates its expectations of internal control to all employees with significant responsibilities in the financial reporting process. In addition, our internal audit staff regularly monitors our financial reporting system and the related internal accounting controls through an extensive program of audits throughout Boise. As part of our system of internal controls, management selects and trains qualified people who we expect to conduct the company's affairs in accordance with Boise's Code of Ethics (the Code). We make our Code available to all Boise employees, and it is a key element of our system of internal controls. The Code covers, among other things, compliance with all laws, including those related to financial disclosure, potential conflicts of interest, and the protection of the company's information and assets.

KPMG LLP (KPMG), a firm of independent accountants, has audited the financial statements included in this annual report on Form 10-K. The audit committee of our board of directors appointed KPMG as our independent auditors for 2003. Our shareholders ratified this appointment. To enable KPMG's audit, Boise's management has made available all of the corporation's financial records and related data, as well as minutes of all shareholder and board of directors meetings. We believe that all representations made to KPMG during their audit of our financial statements were valid and appropriate. KPMG also selectively tested our internal controls for purposes of planning and performing the audit of our financial statements.

The Audit Committee of our board of directors is composed solely of independent directors. It meets regularly and separately with management, representatives of our Internal Audit Department, and representatives of KPMG to ensure that each group is carrying out its responsibilities. The Internal Audit staff and the independent auditors have direct and unrestricted access to the Audit Committee, without the presence of management, to discuss the results of their audits, any recommendations concerning the system of internal accounting controls, and the quality of financial reporting.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

For information regarding our change in independent auditors from Arthur Andersen LLP to KPMG LLP, please refer to our Form 8-K filed with the SEC on April 19, 2002, or to the information presented under the caption "Appointment of Independent Accountants" in our proxy statement, which is incorporated by reference.

We have had no disagreements with our independent accountants regarding accounting or financial disclosure matters.

ITEM 9A. CONTROLS AND PROCEDURES

- (a) As of the end of the period covered by this report, the chief executive officer and chief financial officer directed and supervised an evaluation of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(e) of the Securities Exchange Act of 1934. The evaluation was conducted to determine whether the company's disclosure controls and procedures were effective in bringing material information about the company to the attention of senior management. Based on that evaluation, our chief executive officer and chief financial officer concluded that the company's disclosure controls and procedures are effective in alerting them in a timely manner to material information that the company is required to disclose in its filings with the Securities and Exchange Commission.
- (b) Since our evaluation, we have made no significant changes in the design or operation of our internal controls. Likewise, we have not taken corrective actions or made changes to other factors that could significantly affect the design or operation of these controls. On December 9, 2003, we completed our acquisition of OfficeMax, Inc. Based on our evaluation, we do not believe this acquisition or the integration of our two systems of internal control will negatively affect the design or operation of our overall internal controls.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The directors and nominees for director are presented under the caption "Board of Directors" in our proxy statement. This information is incorporated by reference.

The following lists our executive officers covered by Section 16 of the Securities and Exchange Act of 1934 and gives a brief description of their business experiences as of January 31, 2004:

John C. Bender, 63, was first elected an officer of the company on February 13, 1990. Mr. Bender has served as senior vice president, Boise Building Solutions, since 1999 and previously served as vice president, Boise Building Solutions, beginning in 1993. He joined Boise in 1969.

Thomas E. Carlile, 52, was first elected an officer of the company on February 4, 1994. Mr. Carlile has served as vice president and controller since 1994 and previously served as director of finance and planning, Boise Paper Solutions, beginning in 1989. He joined Boise in 1973.

Theodore Crumley, 58, was first elected an officer of the company on May 10, 1990. Mr. Crumley has served as senior vice president and chief financial officer since 1994 and previously served as vice president and controller beginning in 1990. He joined Boise in 1972.

A. Ben Groce, 62, was first elected an officer of the company on February 8, 1991. Mr. Groce has served as senior vice president, Boise Paper Solutions, since 1994 and previously served as vice president, Corporate Engineering, Procurement, and Transportation beginning in 1993. He joined Boise in 1979.

George J. Harad, 59, was first elected an officer of the company on May 11, 1982. Mr. Harad became a director and president of the company in 1991. Mr. Harad was elected chief executive officer of Boise in 1994 and became chairman of the board in 1995. He joined Boise in 1971.

John W. Holleran, 49, was first elected an officer of the company on July 30, 1991. Mr. Holleran has served as senior vice president and general counsel since 1996 and previously served as vice president and general counsel beginning in 1991. He joined Boise in 1979.

Christopher C. Milliken, 58, was first elected an officer of the company on February 3, 1995. Mr. Milliken has served as senior vice president, Boise Office Solutions, since 1997 and previously served as vice president, Boise Office Solutions, beginning in 1995. He joined Boise in 1977.

Information concerning our Audit Committee financial expert is set forth under the caption "Audit Committee Report" in our proxy statement and is incorporated by reference.

We have adopted a Code of Ethics that applies to all Boise employees and directors, including our senior financial officers. Copies of the Code are available, free of charge, on our website at www.bc.com, by clicking on "Investor Relations," and then "Corporate Governance." You also may obtain copies of this Code by contacting our Corporate Communications Department, 1111 West Jefferson Street, PO Box 50, Boise, Idaho 83728, or by calling 208/384-7990.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning compensation of Boise's executive officers for the year ended December 31, 2003, is presented under the caption "Compensation Tables" in our proxy statement. This information is incorporated by reference.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

- (a) Information concerning the security ownership of certain beneficial owners as of December 31, 2003, is set forth under the caption "Ownership of More Than 5% of Boise Stock" in our proxy statement and is incorporated by reference.
- (b) Information concerning security ownership of management as of December 31, 2003, is set forth under the caption "Stock Ownership—Directors and Executive Officers" in our proxy statement and is incorporated by reference.
- (c) Information concerning compliance with Section 16 of the Securities Exchange Act of 1934 is set forth under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in our proxy statement and is incorporated by reference.

Equity Compensation Plan Information

Our shareholders have approved all the company's equity compensation plans, including the Director Stock Compensation Plan (DSCP) and 2003 Boise Incentive and Performance Plan (BIPP). These plans are designed to further align our directors' and management's interests with the company's long-term performance and the long-term interests of our shareholders. Our shareholders also approved an amendment increasing the number of shares of common stock available for issuance under the BIPP.

The following table summarizes the number of shares of our common stock that may be issued under our equity compensation plans as of December 31, 2003.

Plan Category(a)	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by security holders	8,457,888	\$ 32.16	5,919,144
Equity compensation plans not approved by security holders	—	—	—
	\$	32.16	5,919,144

- (a) The number of securities to be issued upon the exercise of outstanding options, warrants, and rights also includes options previously granted under the Director Stock Option Plan and 1984 Key Executive Stock Option Plan. Both of these plans were replaced by the Boise Incentive and Performance Plan. Neither (i) interests in shares of common stock in the Boise Cascade Common Stock Fund or Series D Preferred Stock in the Employee Stock Ownership Plan (ESOP) fund held by the trustee of the company's 401(k) Savings and Supplemental Retirement Plan nor (ii) the deferred stock unit component of the company's 2001 Key Executive Deferred Compensation Plan (DCP) is included in this table. For information regarding the number of shares of common stock and ESOP preferred stock held by the 401(k) trustee, see "Ownership of More Than 5% of Boise Stock" in our proxy statement incorporated by reference. For information regarding the deferred stock unit component of our DCP, see the "Summary Compensation Table" in our proxy statement. As of December 31, 2003, there were 158,667 stock units outstanding in the deferred stock unit component of the DCP.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and related transactions during 2003 is set forth under the caption "Business Relationships" in our proxy statement and is incorporated by reference.

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ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information concerning principal accountant fees and services is set forth under the caption "Audit Committee Report—Audit, Audit-Related, and Other Nonaudit Services" in our proxy statement and is incorporated by reference.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

- (a) The following documents are filed as a part of this Form 10-K:

- (1) Consolidated Financial Statements.

The Consolidated Financial Statements, the Notes to Consolidated Financial Statements, the Independent Auditors' Report, and the Report of Management are presented in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

- Consolidated Balance Sheets as of December 31, 2003 and 2002.
- Consolidated Statements of Income (Loss) for the years ended December 31, 2003, 2002, and 2001.
- Consolidated Statements of Cash Flows for the years ended December 31, 2003, 2002, and 2001.
- Consolidated Statements of Shareholders' Equity for the years ended December 31, 2003, 2002, and 2001.
- Notes to Consolidated Financial Statements.
- Independent Auditors' Report.
- Report of Management.

- (2) Financial Statement Schedules.

All financial statement schedules have been omitted because they are inapplicable, not required, or shown in the financial statements and notes in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

- (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 by reference.

- (b) Reports on Form 8-K.

On October 8, 2003, we filed a Form 8-K with the Securities and Exchange Commission to furnish the press release pre-announcing our third quarter 2003 financial results.

On October 20, 2003, we filed a Form 8-K with the Securities and Exchange Commission to file the Terms Agreement and Form of Fourth Supplemental Indenture for our 6.5% Senior Notes Due 2010 and 7.0% Senior Notes Due 2013.

On October 21, 2003, we filed a Form 8-K with the Securities and Exchange Commission to furnish the earnings release announcing our third quarter 2003 financial results and selected pages from our Third Quarter 2003 Fact Book.

On December 9, 2003, we filed a Form 8-K with the Securities and Exchange Commission to report the results of the votes cast with respect to the special shareholders meeting held in connection with the OfficeMax transaction.

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On December 23, 2003, we filed a Form 8-K with the Securities and Exchange Commission to file consolidated financial statements of OfficeMax and to report on the results of the merger.

On January 7, 2004, we filed a Form 8-K with the Securities and Exchange Commission to furnish the Boise Office Solutions investor conference webcast presentation materials.

On January 22, 2004, we filed a Form 8-K with the Securities and Exchange Commission to furnish the earnings release announcing our fourth quarter 2003 financial results and selected pages from our Fourth Quarter 2003 Fact Book.

On February 17, 2004, we filed a Form 8-K with the Securities and Exchange Commission to furnish our Fourth Quarter 2003 Fact Book.

On February 19, 2004, we filed an amended Form 8-K with the Securities and Exchange Commission to amend the Form 8-K originally dated February 17, 2004, in order to revise the "Financial Highlights" and "Consolidated Balance Sheets" pages.

On February 20, 2004, we filed an amended Form 8-K with the Securities and Exchange Commission to file Boise's unaudited pro forma condensed combined financial information as of September 30, 2003, and for the nine- and twelve-month periods ended September 30, 2003, and December 31, 2002, respectively.

(c) Exhibits.

See Index to Exhibits.

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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 /s/ George J. Harad

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

Dated: March 2, 2004

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 2, 2004.

	Signature	Capacity
(i)	<u>Principal Executive Officer:</u> <u>/s/ George J. Harad</u> George J. Harad	Chairman of the Board and Chief Executive Officer
(ii)	<u>Principal Financial Officer:</u> <u>/s/ Theodore Crumley</u> Theodore Crumley	Senior Vice President and Chief Financial Officer
(iii)	<u>Principal Accounting Officer:</u> <u>/s/ Thomas E. Carlile</u> Thomas E. Carlile	Vice President and Controller

(iv) **Directors:**

/s/ George J. Harad

George J. Harad

/s/ Claire S. Farley

Claire S. Farley

/s/ Rakesh Gangwal

Rakesh Gangwal

/s/ Richard R. Goodmanson

Richard R. Goodmanson

/s/ Edward E. Hagenlocker

Edward E. Hagenlocker

/s/ Gary G. Michael

Gary G. Michael

A. William Reynolds

/s/ Francesca Ruiz de Luzuriaga

Francesca Ruiz de Luzuriaga

/s/ Jane E. Shaw

Jane E. Shaw

/s/ Carolyn M. Ticknor

Carolyn M. Ticknor

/s/ Ward W. Woods

Ward W. Woods

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Consent of Independent Accountants

To the Board of Directors and Shareholders of Boise Cascade Corporation:

We consent to the incorporation by reference in the registration statement (No. 33-28595) on the post-effective amendment No. 1 to Form S-8; registration statement (No. 33-21964) on the post-effective amendment No. 1 to Form S-8; registration statement (No. 33-31642) on Form S-8; registration statement (No. 333-105223) on Form S-8; registration statement (No. 333-37124) on Form S-8; registration statement (No. 333-41033) on the pre-effective amendment No. 1 to Form S-3; registration statement (No. 333-86425) on Form S-8; registration statement (No. 333-86427) on Form S-8; registration statement (No. 333-61106) on Form S-8; registration statement (No. 333-74450) on Form S-3; registration statement (No. 333-86362) on Form S-3; and the registration statement (No. 333-110397) on Form S-8 of Boise Cascade Corporation of our report dated January 29, 2004, with respect to the consolidated balance sheets of Boise Cascade Corporation as of December 31, 2003 and 2002, and the related consolidated statements of income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2003, which report appears in the December 31, 2003, annual report on Form 10-K of Boise Cascade Corporation.

Our report refers to the adoption of Statement of Financial Accounting Standards (SFAS) No. 143 and No. 148, Financial Accounting Standards Board's (FASB) Emerging Issues Task Force Issue No. 02-16, and FASB Interpretation No. 46, as revised, effective in 2003. Our report also refers to the adoption of SFAS No. 142, effective in 2002.

/s/ KPMG LLP

Boise, Idaho
March 2, 2004

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BOISE CASCADE CORPORATION

INDEX TO EXHIBITS

Filed with the Annual Report on Form 10-K for the Year Ended December 31, 2003

Number	Description
2	(1) Agreement and Plan of Merger dated as of July 13, 2003, among Boise Cascade Corporation, Challis Corporation, and OfficeMax, Inc.
3.1	(2) Restated Certificate of Incorporation, as restated to date
3.2	(3) Bylaws as amended December 11, 1998
4.1	(4) Trust Indenture between Boise Cascade Corporation and Morgan Guaranty Trust Company of New York, Trustee, dated October 1, 1985, as amended
4.2	(5) Revolving Credit Agreement—\$560,000,000, dated as of March 28, 2002

- 4.3 * Renewed Rights Agreement, amended and restated as of December 12, 2003
- 4.4 (6) Purchase Contract Agreement between Boise Cascade Corporation and BNY Western Trust Company, as purchase contract agent, dated December 5, 2001
- 4.5 (6) Amended and Restated Declaration of Trust of Boise Cascade Trust I among Boise Cascade Corporation, as depositor, BNY Western Trust Company, as property trustee, and The Bank of New York (Delaware), as Delaware trustee, dated December 5, 2001
- 4.6 (6) Guarantee Agreement between the Boise Cascade Corporation, as guarantor, and BNY Western Trust Company, as guarantee trustee, dated December 5, 2001
- 4.7 (6) Pledge Agreement between Boise Cascade Corporation, JPMorgan Chase Bank, as collateral agent, custodial agent, and securities intermediary, and BNY Western Trust Company, as purchase contract agent, dated December 5, 2001
- 9 Inapplicable
- 10.1 * Key Executive Performance Plan for Executive Officers, as amended through September 26, 2003
- 10.2 * 1986 Executive Officer Deferred Compensation Plan, as amended through September 26, 2003
- 10.3 * 1983 Board of Directors Deferred Compensation Plan, as amended through September 26, 2003
- 10.4 * 1982 Executive Officer Deferred Compensation Plan, as amended through September 26, 2003
- 10.5 (7) Executive Officer Severance Pay Policy, as amended through December 11, 1992
- 10.6 * Supplemental Early Retirement Plan for Executive Officers, as amended through September 26, 2003
- 10.7 * Boise Cascade Corporation Supplemental Pension Plan, as amended through September 26, 2003
- 10.8 * 1987 Board of Directors Deferred Compensation Plan, as amended through September 26, 2003

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- 10.9 * 1984 Key Executive Stock Option Plan, as amended through September 26, 2003
- 10.10 * 1980 Split-Dollar Life Insurance Plan, as amended through September 26, 2003
- 10.11 * Form of Agreement with Executive Officers, as amended through September 26, 2003 (for BCC executive officers who are employees of BCC)
- 10.12 (8) Supplemental Healthcare Plan for Executive Officers, as amended through January 1, 2003
- 10.13 (7) Nonbusiness Use of Corporate Aircraft Policy, as amended
- 10.14 (9) Executive Officer Financial Counseling Program description, as amended through July 27, 2000
- 10.15 * Form of Directors' Indemnification Agreement, as revised September 26, 2003
- 10.16 (10) Deferred Compensation and Benefits Trust, as amended by the Form of Sixth Amendment dated May 1, 2001
- 10.17 * Director Stock Compensation Plan, as amended through September 26, 2003
- 10.18 * Director Stock Option Plan, as amended through September 26, 2003
- 10.19 * 1995 Executive Officer Deferred Compensation Plan, as amended through September 26, 2003
- 10.20 * 1995 Board of Directors Deferred Compensation Plan, as amended through September 26, 2003
- 10.21 * 1995 Split-Dollar Life Insurance Plan, as amended through September 26, 2003
- 10.22 * Form of Agreement with Executive Officers, as amended through September 26, 2003 (for Boise Office Solutions executive officers who are executive officers of BCC)
- 10.23 * 2001 Key Executive Deferred Compensation Plan, as amended through September 26, 2003
- 10.24 * 2001 Board of Directors Deferred Compensation Plan, as amended through September 26, 2003
- 10.25 * Key Executive Performance Unit Plan, as amended through September 26, 2003
- 10.26 * 2003 Director Stock Compensation Plan, as amended through September 26, 2003

10.27	*	2003 Boise Incentive and Performance Plan, as amended through December 12, 2003
11	*	Computation of Per-Share Earnings
12.1	*	Ratio of Earnings to Fixed Charges
12.2	*	Ratio of Earnings to Combined Fixed Charges and Preferred Dividend Requirements
13		Inapplicable
14	*	Code of Ethics
16		Inapplicable

18		Inapplicable
21	*	Significant subsidiaries of the registrant
22		Inapplicable
23	*	Consent of KPMG LLP (see page)
24		Inapplicable
31.1	*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	*	Section 906 Certifications of Chief Executive Officer and Chief Financial Officer of Boise Cascade Corporation

* Filed with this Form 10-K.

- (1) Exhibit 2 was filed under the same exhibit number in Boise's Current Report on Form 8-K filed on July 14, 2003, and is incorporated by reference.
- (2) Exhibit 3.1 was filed as exhibit 3 in Boise's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996, and is incorporated by reference.
- (3) Exhibit 3.2 was filed under the same exhibit number in Boise's 1998 Annual Report on Form 10-K and is incorporated by reference.
- (4) 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 Boise's Current Report on Form 8-K filed on August 10, 1990. The Third Supplemental Indenture, dated December 5, 2001, between Boise Cascade Corporation and BNY Western Trust Company, as trustee, to the Trust Indenture dated as of October 1, 1985, between Boise Cascade Corporation and U.S. Bank Trust National Association (as successor in interest to Morgan Guaranty Trust Company of New York) was filed as exhibit 99.2 in Boise's Current Report on Form 8-K filed on December 10, 2001. The Fourth Supplemental Indenture dated October 21, 2003, between Boise Cascade Corporation and U.S. Bank Trust National Association was filed as exhibit 4.1 in Boise's Current Report on Form 8-K filed on October 20, 2003. Each of the documents referenced in this footnote is incorporated by reference.
- (5) Exhibit 4.2 was filed as exhibit 4 in Boise's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002, and is incorporated by reference.
- (6) Exhibits 4.4, 4.5, 4.6, and 4.7 were filed as exhibits 99.4, 99.7, 99.9, and 99.10, respectively, in Boise's Current Report on Form 8-K filed on December 10, 2001, and are incorporated by reference.
- (7) Exhibits 10.5 and 10.13 were filed as exhibits 10.5 and 10.14 in Boise's 1993 Annual Report on Form 10-K and are incorporated by reference.

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- (8) Exhibit 10.12 was filed as exhibit 10.13 in Boise's 2002 Annual Report on Form 10-K and is incorporated by reference.
 - (9) Exhibit 10.14 was filed as exhibit 10.15 in Boise's 2000 Annual Report on Form 10-K and is incorporated by reference.
 - (10) The Deferred Compensation and Benefits Trust, as amended and restated as of December 13, 1996, was filed as exhibit 10.18 in Boise's 1996 Annual Report on Form 10-K. Amendment No. 4, dated July 29, 1999, to the Deferred Compensation and Benefits Trust was filed as exhibit 10.18 in Boise's 1999 Annual Report on Form 10-K. Amendment No. 5, dated December 6, 2000, to the Deferred Compensation and Benefits Trust was filed as exhibit 10.18 in Boise's 2000 Annual Report on Form 10-K. Amendment No. 6, dated May 1, 2001, to the Deferred Compensation and Benefits Trust was filed as

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BOISE CASCADE CORPORATION

and

FIRST CHICAGO TRUST COMPANY OF NEW YORK

Rights Agent

Renewed Rights Agreement

Dated as of September 25, 1997

and

Amended and Restated

as of

December 12, 2003

RENEWED RIGHTS AGREEMENT

RENEWED RIGHTS AGREEMENT dated as of September 25, 1997 and amended and restated as of December 12, 2003 (the "Agreement") between BOISE CASCADE CORPORATION, a Delaware corporation (the "Company"), and First Chicago Trust Company of New York, a New York corporation, as rights agent.

W I T N E S S E T H

WHEREAS, on December 13, 1988, the Board of Directors of the Company authorized and declared a dividend distribution of one 1988 Right (as hereinafter defined) for each share of common stock, par value \$2.50 per share, of the Company outstanding at the close of business on December 23, 1988 (the "1988 Record Date"), and authorized the issuance of one 1988 Right for each share of common stock, par value \$2.50 per share, of the Company issued between the 1988 Record Date (whether originally issued or delivered from the Company's treasury) and the Distribution Date (as defined in the Rights Agreement, dated as of December 23, 1988 (the "1988 Agreement"), between the Company and the Rights Agent), each 1988 Right initially representing the right to purchase one share of Common Stock of the Company, upon the terms and subject to the conditions set forth in the 1988 Agreement (the "1988 Rights");

WHEREAS, on September 25, 1990, the Board of Directors, in accordance with Section 26 of the 1988 Agreement, determined it desirable and in the best interests of the Company and its stockholders for the Company to supplement and amend certain provisions of the 1988 Agreement and to implement such supplements and amendments by executing an amendment and restatement of the 1988 Rights Agreement (the 1988 Agreement, as so amended and restated as of September 25, 1990, being referred to herein as the "1990 Agreement");

WHEREAS, on September 25, 1997, the Board of Directors determined it desirable and in the best interests of the Company and its stockholders for the Company to renew the 1990 Agreement and to implement such renewal by executing a Renewed Rights Agreement, dated as of September 25, 1997 (the "1997 Agreement") between the Company and the Rights Agent; and

WHEREAS, on September 25, 1997 (the "Rights Dividend Declaration Date"), the Board of Directors of the Company authorized and declared a dividend distribution of one Right for each share of Common Stock of the Company outstanding upon the "Expiration Date" under the 1990 Agreement (the "Record Date"), and authorized the issuance of one Right (as such number may hereafter be adjusted pursuant to the provisions of Section 11(i) or 11(p) hereof) for each share of Common Stock of the Company issued between the Record Date (whether originally issued or delivered from the Company's treasury) and the Distribution Date (as defined herein), and under certain circumstances thereafter, each Right initially representing the right to purchase one share of Common Stock of the Company, upon the terms and subject to the conditions hereinafter set forth (the "Rights"); and

WHEREAS, as of December 12, 2003, in accordance with Section 27 of the 1997 Agreement, the Board of Directors of the Company determined it desirable and in the best interests of the Company and its stockholders to amend certain provisions of the 1997 Agreement and to implement such amendment by executing an amendment and restatement of the 1997 Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. *Certain Definitions.* For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 15% or more of the Voting Stock (as hereinafter defined) then outstanding, but shall not include an Exempt Person (as hereinafter defined).

(b) "Act" shall mean the Securities Act of 1933, as amended.

(c) "Adjustment Shares" shall have the meaning set forth in Section 11(a)(ii) hereof.

(d) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act (as defined herein).

(e) "Agreement" means this Renewed Rights Agreement as originally executed or as it may from time to time be supplemented, amended, renewed or extended pursuant to the applicable provisions hereof.

(f) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(i) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to "beneficially own," (A) securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange or (B) securities issuable upon exercise of Rights at any time prior to the occurrence of a Triggering Event (as hereinafter defined) or (C) securities issuable upon exercise of Rights from and after the occurrence of a Triggering Event which are Original Rights (as hereinafter defined) or securities issued pursuant to Section 11(i) or Section 11(p) hereof in connection with an adjustment made with respect to any Original Rights;

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has "beneficial ownership" of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing; provided, however, that a Person shall not be deemed the "Beneficial Owner" of or to "beneficially own" any security under this subparagraph (ii) as a result of an agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding: (A) arises solely from a revocable proxy or consent given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, (B) is not also then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report) and (C) does not constitute a trust, proxy, power of attorney or other device with the purpose or effect of allowing two or more persons, acting in concert, to avoid being deemed "beneficial owners" of such security or otherwise avoid the status of "Acquiring Person" under the terms of this Agreement or as part of a plan or scheme to evade the reporting requirements under Schedule 13D or Sections 13(d) or 13(g) of the Exchange Act; or

(iii) which are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person's Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing), for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to subparagraph (ii) of this paragraph (f)) or disposing of any voting securities of the Company; provided, however, that nothing in this paragraph (f) shall cause a Person engaged in business as an underwriter of securities to be deemed the "Beneficial Owner" of or to be deemed to "beneficially own" any securities acquired through such Person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition.

(g) "Board" means the Board of Directors of the Company.

(h) "Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(i) "Close of Business" on any given date shall mean 5:00 P.M., New York City time, on such date; provided, however, that if such date is not a Business Day, it shall mean 5:00 P.M., New York City time, on the next succeeding Business Day.

(j) "Common Stock" when used in reference to the Company shall mean the common stock, par value \$2.50 per share, of the Company or any other shares of capital stock of the Company into which such stock shall be reclassified or changed. "Common Stock" when used with reference to any Person which shall be organized in corporate form, other than the Company, shall mean (i) the capital stock or other equity interest with the greatest voting power, (ii) the equity securities or other equity interest having power to control or direct the management of such Person or (iii) if such Person is a Subsidiary of another Person, the Person or Persons which ultimately control such first-mentioned Person and which has issued any such outstanding capital stock, equity securities or equity interest. "Common Stock" when used with reference to any Person which shall not be organized in corporate form shall mean units of beneficial interest which (x) shall represent the right to participate generally in the profits and losses of such Person (including, without limitation, any flow-through tax benefits resulting from an ownership interest in such Person) and (y) are entitled to exercise the greatest voting power of such Person or, in the case of a limited partnership, have the power to rename the general partner or partners.

(k) "Common Stock Equivalents" shall have the meaning set forth in Section 11(a)(iii) hereof.

(l) "Company" shall mean Boise Cascade Corporation until a successor corporation or entity shall have become such, or until a Principal Party shall assume, and thereafter be liable for, all obligations and duties of the Company hereunder pursuant to the applicable provisions of this Agreement, and thereafter "Company" shall mean such successor or Principal Party.

(m) "Current Market Price" shall have the meaning set forth in Section 11(d) hereof.

(n) "Current Value" shall have the meaning set forth in Section 11(a)(iii) hereof.

(o) "Distribution Date" shall have the meaning set forth in Section 3(a) hereof.

(p) "Equivalent Common Stock" shall have the meaning set forth in Section 11(b) hereof.

(q) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(r) "Exempt Person" shall mean (i) the Company, (ii) any Subsidiary of the Company, (iii) any employee benefit or employee stock plan of the Company or of any Subsidiary of the Company, (iv) any Person or entity organized, appointed, established or holding Voting Stock of the Company by, for or pursuant to the terms of any such employee benefit or employee stock plan, (v) any Person who, together with its Affiliates and Associates, becomes the Beneficial Owner of 15% or more of the Voting Stock then outstanding solely as a result of a reduction in the number of shares of Voting Stock outstanding due to the repurchase of shares of Voting Stock by the Company, unless and until such time as such Person shall purchase or otherwise become (as a result of actions taken by such Person or its Affiliates or Associates) the Beneficial Owner of additional shares of Voting Stock constituting 1% or more of the then outstanding Voting Stock of the Company, or (vi) any such Person who has reported or is required to report ownership of 15% or more of the Voting Stock of the Company (but less than 20%) on Schedule 13G under the Securities and Exchange Act of 1934, as amended and in effect on September 25, 1997 (the

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"Exchange Act"), (or any comparable or successor report) or on Schedule 13D under the Exchange Act (or any comparable or successor report) which Schedule 13D does not state any intention to or reserve the right to control or influence the management or policies of the Company or engage in any of the actions specified in Item 4 of such schedule (other than the disposition of the Voting Stock) and, within 10 Business Days of being requested by the Company to advise it regarding the same, certifies to the Company that such Person acquired shares of Voting Stock in excess of 14.9% inadvertently or without knowledge of the terms of the Rights and who, together with all Affiliates and Associates, thereafter does not acquire additional shares of Voting Stock while the Beneficial Owner of 15% or more of the shares of Voting Stock then outstanding; provided, however, that if the Person requested to so certify fails to do so within 10 Business Days, then such Person shall become an Acquiring Person immediately after such 10-Business-Day period.

(s) "Expiration Date" shall have the meaning set forth in Section 7(a) hereof.

(t) "Final Expiration Date" shall mean the Close of Business on December 13, 2008.

(u) "Original Rights" shall mean Rights acquired by such Person or any of such Person's Affiliates or Associates prior to the Distribution Date or pursuant to Section 3(a) or Section 22 hereof.

(v) "Person" shall mean any individual, firm, corporation, partnership, trust or other entity and includes, without limitation, an unincorporated group of persons who, by formal or informal agreement, whether or not in writing, have embarked on a common purpose or act.

(w) "Principal Party" shall have the meaning set forth in Section 13(b) hereof.

(x) "Purchase Price" shall have the meaning set forth in Section 4(a) hereof.

(y) "Record Date" shall have the meaning set forth in the fourth WHEREAS clause at the beginning of the Agreement.

(z) "Redemption Price" shall have the meaning set forth in Section 23(a) hereof.

(aa) "Rights" shall have the meaning set forth in the fourth WHEREAS clause at the beginning of the Agreement.

(bb) "Rights Agent" shall mean First Chicago Trust Company of New York until a successor Rights Agent shall have become such pursuant to the applicable provisions hereof, and thereafter "Rights Agent" shall mean such successor Rights Agent. If at any time there is more than one Person appointed by the Company as Rights Agent pursuant to the applicable provisions of this Agreement, "Rights Agent" shall mean and include each such Person.

(cc) "Rights Certificates" shall have the meaning set forth in Section 3(a) hereof.

(dd) "Rights Dividend Declaration Date" shall mean September 25, 1997.

(ee) "Section 11(a)(ii) Event" shall mean any event described in Section 11(a)(ii) hereof.

(ff) "Section 11(a)(ii) Trigger Date" shall have the meaning set forth in Section 11(a)(iii) hereof.

(gg) "Section 13 Event" shall mean any event described in clauses (x), (y) or (z) of Section 13(a) hereof.

(hh) "Spread" shall have the meaning set forth in Section 11(a)(iii) hereof.

(ii) "Stock Acquisition Date" shall mean the first date of public announcement by the Company that an Acquiring Person has become such.

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(jj) "Subsidiary" shall mean, with reference to any Person, any corporation or other entity of which securities or other ownership interest having ordinary voting power sufficient, in the absence of contingencies, to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly beneficially owned, or otherwise controlled, by such Person and any Affiliate of such Person.

(kk) "Substitution Period" shall have the meaning set forth in Section 11(a)(iii) hereof.

(ll) "Trading Day" shall mean a day on which the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading is open for the transaction of business or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange, a Business Day.

(mm) "Triggering Event" shall mean any Section 11(a)(ii) Event or any Section 13 Event.

(nn) "Voting Stock" shall mean all capital stock of the Company authorized to be issued from time to time under the Certificate of Incorporation of the Company which by its terms may be voted on all matters submitted to stockholders of the Company generally.

Section 2. *Appointment of Rights Agent.* The Company has appointed the Rights Agent to act as agent for the Company and the holders of the Rights (who, in accordance with Section 3 hereof, shall prior to the Distribution Date also be the holders of the Common Stock of the Company) in accordance with the terms and conditions hereof, and the Rights Agent has accepted such appointment. The Company may from time to time act as Co-Rights Agent or appoint such Co-Rights Agents as it may deem necessary or desirable. Any actions which may be taken by and any deliveries which are to be made to the Rights Agent pursuant to the terms of this Agreement may be taken by and may be delivered to any such Co-Rights Agent. To the extent that any Co-Rights Agent takes any action pursuant to this Agreement, such Co-Rights Agent shall be entitled to all of the rights and protections, and subject to all of the applicable duties and obligations imposed upon the Rights Agent pursuant to the terms of this Agreement.

Section 3. *Issue of Rights Certificates.*

(a) Until the earlier of (i) the Close of Business on the tenth Business Day (or such specified or unspecified later date as may be determined by the Board before the occurrence of a Distribution Date) after the Stock Acquisition Date (or, if the tenth Business Day after the Stock Acquisition Date occurs before the Record Date, the Close of Business on the Record Date) or (ii) the Close of Business on the tenth Business Day (or such specified or unspecified later date as may be determined by the Board before the occurrence of a Distribution Date) after the date that a tender or exchange offer by any Person (other than an Exempt Person) is first published or sent or given within the meaning of Rule 14d-2(a) of the General Rules and Regulations under the Exchange Act, if upon consummation thereof, such Person would be the Beneficial Owner of 15% or more of the Voting Stock then outstanding (the earlier of (i) and (ii) being herein referred to as the "Distribution Date"), (x) the Rights will be evidenced (subject to the provisions of paragraphs (b) and (c) of this Section 3) by the certificates for the Common Stock of the Company registered in the names of the holders of the Common Stock of the Company whether or not bearing the legend set forth in Section 3(c) hereof (which certificates for Common Stock of the Company shall be deemed also to be certificates for Rights) and not by separate certificates and (y) the Rights will be transferable only in connection with the transfer of the underlying shares of Common Stock of the Company (including a transfer to the Company). As soon as practicable after the Distribution Date, the Rights Agent will send by first-class, insured postage prepaid mail, to each record holder of the Common Stock of the Company as of the Close of Business on the Distribution Date, at the address of such holder shown on the records of the Company, one or more rights certificates, in substantially the form of Exhibit A hereto (the "Rights Certificates"),

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evidencing one Right for each share of Common Stock of the Company so held, subject to adjustment as provided herein. At the time of distribution of the Rights Certificates, the Company may make the necessary and appropriate rounding adjustments (in accordance with Section 14(a) hereof) so that Rights Certificates representing only whole numbers of Rights are distributed and cash is paid in lieu of any fractional Rights. As of and after the Distribution Date, the Rights will be evidenced solely by such Rights Certificates.

(b) The Company will make available, as promptly as practicable following the Record Date, a copy of a Summary of Rights, in substantially the form attached hereto as Exhibit B (the "Summary of Rights") to any holder of Rights who may so request from time to time prior to the Expiration Date. With respect to certificates for the Common Stock of the Company outstanding as of the Record Date, as set forth in paragraph (a) above, until the earlier of the Distribution Date or the Expiration Date, the Rights will be evidenced by such certificates for the Common Stock of the Company whether or not bearing the legend set forth in Section 3(c) hereof and the registered holders of the Common Stock of the Company shall also be the registered holders of the associated Rights. Until the earlier of the Distribution Date or the Expiration Date, the transfer of any certificates representing shares of Common Stock of the Company in respect of which Rights have been issued shall also constitute the transfer of the Rights associated with such shares of Common Stock of the Company.

(c) Rights shall be issued in respect of all shares of Common Stock of the Company which are issued (whether originally issued or from the Company's treasury) after the Record Date but prior to the earlier of the Distribution Date or the Expiration Date, and to the extent provided in Section 22 hereof, in respect of shares of Common Stock of the Company issued after the Distribution Date and prior to the Expiration Date. Certificates representing such shares of Common Stock of the Company shall also be deemed to be certificates for Rights and shall, as promptly as possible following the Record Date, bear the following legend:

This certificate also evidences and entitles the holder hereof to certain Rights as set forth in the Renewed Rights Agreement between Boise Cascade Corporation (the "Company") and First Chicago Trust Company of New York (the "Rights Agent") dated as of September 25, 1997, as the same may be amended, restated, renewed or extended from time to time (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal offices of the Company. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. The Company will mail to the holder of this certificate a copy of the Rights Agreement, as in effect on the date of mailing, without charge promptly after receipt of a written request therefor. Under certain circumstances set forth in the Rights Agreement, Rights beneficially owned (as such term is defined in the Rights Agreement) by any Person who is, was or becomes an Acquiring Person or any Affiliate or Associate thereof (as such terms are defined in the Rights Agreement), whether currently held by or on behalf of such Person or by any subsequent holder, may become null and void. The Rights shall not be exercisable, and shall be void so long as held, by a holder in any jurisdiction where the requisite qualification to the issuance to such holder, or the exercise by such holder, of the Rights in such jurisdiction shall not have been obtained or be obtainable.

In addition to the provisions of Section 3(b) above, with respect to such certificates containing the foregoing legend, and certificates containing the legends specified in the 1988 Agreement and the 1990 Agreement and with respect to previously issued certificates that contain no comparable legend, until the earlier of (i) the Distribution Date or (ii) the Expiration Date, the Rights associated with the Common Stock of the Company represented by such certificates shall be evidenced by such certificates alone, registered holders of Common Stock

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of the Company shall also be the registered holders of the associated Rights, and the transfer of any of such certificates shall also constitute the transfer of the Rights associated with the Common Stock of the Company represented by such certificates.

Section 4. *Form of Rights Certificates.*

(a) The Rights Certificates (and the forms of election to purchase, the forms of assignment and the accompanying certificates to be printed on the reverse thereof) shall each be substantially in the form set forth in Exhibit A hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the provisions of Section 11 and Section 22 hereof, the Rights Certificates, whenever distributed, shall be dated as of the Record Date and on their face shall entitle the holders thereof to purchase such number of shares of Common Stock as shall be set forth therein at the exercise price set forth therein (such exercise price per share, as adjusted from time to time hereunder, the "Purchase Price"), but the amount and type of securities purchasable upon the exercise of each Right and the Purchase Price thereof shall be subject to adjustment as provided herein.

(b) Any Rights Certificate issued pursuant to Section 3(a) or Section 22 hereof that represents Rights beneficially owned by: (i) an Acquiring Person or any Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such, or (iii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom such Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Board has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect avoidance of Section 7(e) hereof, and any Rights Certificate issued pursuant to Section 6 or Section 11 hereof upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain (to the extent feasible) the following legend:

The Rights represented by this Rights Certificate are or were beneficially owned by a Person who was or became an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Renewed Rights Agreement). Accordingly, this Rights Certificate and the Rights represented hereby may become null and void in the circumstances specified in Section 7(e) of such Agreement.

Section 5. *Countersignature and Registration.*

(a) The Rights Certificates shall be executed on behalf of the Company by its Chairman of the Board, its President or any Vice President, either manually or by facsimile signature. The Rights Certificates shall be countersigned by the Rights Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Rights Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Rights Certificates, nevertheless, may be countersigned by the Rights Agent, and issued and delivered by the Company with the same force and effect as though the person who signed such Rights Certificates had not ceased to be such officer of the Company; and any Rights Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Rights Certificate, shall

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be a proper officer of the Company to sign such Rights Certificate, although at the date of the execution of this Rights Agreement any such person was not such an officer.

(b) Following the Distribution Date, the Rights Agent will keep or cause to be kept, at its principal office or offices designated as the appropriate place for surrender of Rights Certificates upon exercise or transfer, books for registration and transfer of the Rights Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Rights Certificates, the number of Rights evidenced on its face by each of the Rights Certificates, the certificate number of each of the Rights Certificates and the date of each of the Rights Certificates.

Section 6. *Transfer, Split Up, Combination and Exchange of Rights Certificates; Mutilated, Destroyed, Lost or Stolen Rights Certificates.*

(a) Subject to the provisions of Section 4(b), Section 7(e) and Section 14 hereof, at any time after the Close of Business on the Distribution Date, and at or prior to the Close of Business on the Expiration Date, any Rights Certificate or Rights Certificates may be transferred, split up, combined or exchanged for another Rights Certificate or Rights Certificates, entitling the registered holder to purchase a like number of shares of Common Stock (or, following a Triggering Event, Common Stock, other securities, cash or other assets, as the case may be) as the Rights Certificate or Rights Certificates surrendered then entitled such holder (or former holder in the case of a transfer) to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Rights Certificate or Rights Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Rights Certificate or Rights Certificates to be transferred, split up, combined or exchanged at the principal office or offices of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer or exchange of any such surrendered Rights Certificate or Rights Certificates until the registered holder shall have completed and signed the certificate contained in the form of assignment on the reverse side of such Rights Certificate or Rights Certificates and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request. Thereupon, the Rights Agent shall, subject to Section 4(b), Section 7(e) and Section 14 hereof, countersign and deliver to the Person entitled thereto a Rights Certificate or Rights Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Rights Certificates.

(b) Upon receipt by the Company or the Rights Agent of evidence reasonably satisfactory to either of them of the loss, theft, destruction or mutilation of a valid Rights Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to either of them and reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Rights Certificate if mutilated, the Company will execute and deliver a new Rights Certificate of like tenor to the Rights Agent for countersignature and delivery to the registered owner in lieu of the Rights Certificate so lost, stolen, destroyed or mutilated.

Section 7. *Exercise of Rights; Purchase Price; Expiration Date of Rights.*

(a) Subject to Section 7(e) hereof, the registered holder of any Rights Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein including, without limitation, the restrictions on exercisability set forth in Section 9(c), Section 11(a)(iii) and Section 23(a) hereof) in whole or in part at any time after the Distribution Date upon surrender of the Rights Certificate, with the form of election to purchase and the certificate on the reverse side thereof duly executed, to the Rights Agent at the principal office or offices of the Rights Agent

designated for such purpose, together with payment of the aggregate Purchase Price with respect to the total number of shares of Common Stock (or other securities, cash or other assets, as the case may be) as to which such surrendered Rights are then exercisable, at or prior to the earliest of (i) the Final Expiration Date, (ii) the time at which the Rights are redeemed as provided in Section 23 hereof and (iii) the time at which the Rights expire pursuant to Section 13(d) hereof (the earliest of (i), (ii) and (iii) being herein referred to as the "Expiration Date").

(b) The Purchase Price for each share of Common Stock pursuant to the exercise of a Right shall initially be \$175, and shall be subject to adjustment from time to time as provided in Sections 11 and 13(a) hereof and shall be payable in accordance with paragraph (c) below.

(c) Upon receipt of a Rights Certificate representing exercisable Rights, with the form of election to purchase and the certificate on the reverse side of the Rights Certificate duly executed, accompanied by payment, with respect to each Right so exercised, of the Purchase Price, as such amount may be reduced pursuant to Section 11(a)(ii) hereof, per share of Common Stock (or other shares, securities, cash or other assets, as the case may be) to be purchased as set forth below and an amount equal to any applicable transfer tax, the Rights Agent shall, subject to Sections 7(f) and 20(k) hereof, thereupon promptly (i)(A) requisition from any transfer agent of the shares of Common Stock (or make available, if the Rights Agent is the transfer agent for such shares) certificates for the total number of shares of Common Stock to be purchased and the Company hereby irrevocably authorizes its transfer agent to comply with all such requests, or (B) if the Company shall have elected to deposit the total number of shares of Common Stock issuable upon exercise of the Rights hereunder with a depositary agent, requisition from the depositary agent depositary receipts representing such number of shares of Common Stock as are to be purchased (in which case certificates for the shares of Common Stock represented by such receipts shall be deposited by the transfer agent with the depositary agent) and the Company will direct the depositary agent to comply with such request, (ii) requisition from the Company the amount of cash, if any, to be paid in lieu of fractional shares in accordance with Section 14 hereof, (iii) after receipt of such certificates or depositary receipts, cause the same to be delivered to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder, and (iv) after receipt thereof, deliver such cash, if any, to or upon the order of the registered holder of such Rights Certificate. The payment of the Purchase Price (as such amount may be reduced pursuant to Section 11(a)(iii) hereof) shall be made in cash or by certified check, cashier's check or bank draft payable to the order of the Company. In the event that the Company is obligated to issue other securities (including Common Stock) of the Company, pay cash and/or distribute other assets pursuant to Section 11(a) hereof, the Company will make all arrangements necessary so that such other securities, cash and/or other property are available for distribution by the Rights Agent, if and when appropriate. The Company reserves the right to require prior to the occurrence of a Triggering Event that, upon any exercise of Rights, a number of Rights be exercised so that only whole shares of Common Stock would be issued.

(d) In case the registered holder of any Rights Certificate shall exercise less than all the Rights evidenced thereby, a new Rights Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent and delivered to, or upon the order of, the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder, subject to the provisions of Section 14 hereof.

(e) Notwithstanding anything in this Agreement to the contrary, from and after the first occurrence of a Section 11(a)(ii) Event, any Rights beneficially owned by (i) an Acquiring Person or an Associate or Affiliate of an Acquiring Person which the Board in its sole discretion determines is or was involved in or caused or facilitated, directly or indirectly, such Section 11(a)(ii) Event, (ii) a transferee of any such Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after such Acquiring Person becomes such, or (iii) a transferee

of any such Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with such Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from such Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom such Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Board has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect the avoidance of this Section 7(e), shall become null and void without any further action, and no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The Company shall use all reasonable efforts to ensure that the provisions of this Section 7(e) and Section 4(b) hereof are complied with, but the Company and the Rights Agent shall have no liability to any holder of Rights Certificates or other Person as a result of the Company's failure to make any determinations with respect to an Acquiring Person or any of its Affiliates, Associates or transferees hereunder.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder of any Rights Certificate upon the occurrence of any purported assignment or exercise as set forth in this Section 7 unless such registered holder shall have (i) completed and signed the certificate contained in the form of assignment or election to purchase set forth on the reverse side of the Rights Certificate surrendered for such assignment or exercise, and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request.

Section 8. Cancellation and Destruction of Rights Certificates. All Rights Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or any of its agents, be delivered to the Rights Agent for cancellation or in cancelled form, or, if surrendered to the Rights Agent, shall be cancelled by it, and no Rights Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Rights Certificate purchased or acquired by the Company otherwise than upon the exercise thereof. The Rights Agent shall deliver all cancelled Rights Certificates to the Company, or shall, at the written request of the Company, destroy such cancelled Rights Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

Section 9. Reservation and Availability of Capital Stock.

(a) The Company covenants and agrees that following the later of (i) the Distribution Date and (ii) the termination of any period during which the exercisability of the Rights are suspended, it will cause to be reserved and kept available out of its authorized and unissued shares of Common Stock or other securities (or out of its authorized and issued shares held in its treasury), the number of shares of Common Stock or other securities that, as provided in this Agreement (including Section 11(a)(iii) hereof), will be sufficient to permit the exercise in full of all outstanding Rights.

(b) Following the later of (i) the Distribution Date and (ii) the termination of any period during which the exercisability of the Rights is suspended, and for so long as the shares of Common Stock or other securities issuable and deliverable upon the exercise of the Rights may be listed on any national securities exchange, the Company shall use its reasonable efforts to cause, from and after such time as the Rights become exercisable, all shares reserved for such issuance to be listed on such exchange upon official notice of issuance upon such exercise.

(c) The Company shall use all reasonable efforts to (i) file, as soon as practicable following the earliest date after the first occurrence of a Triggering Event in which the consideration to be

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delivered by the Company upon exercise of the Rights has been determined in accordance with this Agreement, or as soon as required by law following the Distribution Date, as the case may be, a registration statement under the Act with respect to the securities purchasable upon exercise of the Rights on an appropriate form, (ii) cause such registration statement to become effective as soon as practicable after such filing, and (iii) cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Act) until the earlier of (A) the date as of which the Rights are no longer exercisable for such securities and (B) the Expiration Date. The Company will also take such action as may be appropriate under, or to ensure compliance with, the securities or "blue sky" laws of the various states in connection with the exercisability of the Rights. The Company may, acting by resolution of the Board temporarily suspend, for a period of time not to exceed ninety days after the date set forth in clause (i) of the first sentence of this Section 9(c), the exercisability of the Rights in order to prepare and file such registration statement and permit it to become effective. In the event of any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, and shall issue a public announcement at such time as the suspension is no longer in effect. In addition, if the Company shall determine that a registration statement is required in other circumstances following the Distribution Date, the Company may similarly temporarily suspend the exercisability of the Rights until such time as a registration statement has been declared effective. Notwithstanding any provision of this Agreement to the contrary, the Rights shall not be exercisable in any jurisdiction if the requisite qualification in such jurisdiction shall not have been obtained, the exercise thereof shall not otherwise be permitted under applicable law or a registration statement shall not have been declared effective.

(d) The Company covenants and agrees that it will take all such action as may be necessary to ensure that all shares of Common Stock (and, following the occurrence of a Triggering Event other securities) delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares (subject to payment of the Purchase Price), be duly and validly authorized and issued and fully paid and nonassessable.

(e) The Company further covenants and agrees that, except as set forth in Section 6(a) hereof, it will pay when due and payable any and all federal and state transfer taxes and charges which may be payable in respect of the issuance or delivery of the Rights Certificates and of any certificates for a number of shares of Common Stock (or other securities, as the case may be) upon the exercise of Rights. The Company shall not, however, be required to pay any transfer tax which may be payable in respect of any transfer or delivery of Rights Certificates to a Person other than, or the issuance or delivery of a number of shares of Common Stock (or other securities, as the case may be) in respect of a name other than that of, the registered holder of the Rights Certificates evidencing Rights surrendered for exercise, nor shall the Company be required to issue or deliver any certificates for a number of shares of Common Stock (or other securities, as the case may be) in a name other than that of the registered holder upon the exercise of any Rights until such tax shall have been paid (any such tax being payable by the holder of such Rights Certificate at the time of surrender) or until it has been established to the Company's satisfaction that no such tax is due.

Section 10. *Common Stock Record Date.* Each person in whose name any certificate for shares of Common Stock (or other securities, as the case may be) is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of such shares of Common Stock (or other securities, as the case may be) represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and all applicable transfer taxes) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Stock (or other securities, as the case may be) transfer books of the Company are closed, such Person shall be deemed to have become the

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record holder of such shares (fractional or otherwise) on, and such certificate shall be dated, the next succeeding Business Day on which the Common Stock (or other securities, as the case may be) transfer books of the Company are open. Prior to the exercise of the Rights evidenced thereby, the holder of a Rights Certificate, as such, shall not be entitled to any rights of a stockholder of the Company with respect to shares for which the Rights shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions or to exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. *Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights.* The Purchase Price, the number and kind of shares, or fractions thereof, purchasable upon the exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Company shall at any time after September 25, 1997 (A) declare a dividend on the Common Stock payable in shares of Common Stock, (B) subdivide or split the outstanding Common Stock, (C) combine or consolidate the outstanding Common Stock into a smaller number of shares or (D) issue any shares of its capital stock in a reclassification of the Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), except as otherwise provided in this Section 11(a) and Section 7(e) hereof, the Purchase Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, split, combination, consolidation or reclassification, and the number and kind of shares of Common Stock (or other capital stock, as the case may be) issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive, upon payment of the Purchase Price then in effect, the aggregate number and kind of shares of Common Stock or capital stock, as the case may be, which, if such Right had been exercised immediately prior to such date and at a time when the Common Stock (or other capital stock, as the case may be) transfer books of the Company were open, the holder of such Right would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, split, combination, consolidation or reclassification. If an event occurs which would require an adjustment under both this Section 11(a)(i) and Section 11(a)(ii) hereof, the adjustment provided for in this Section 11(a)(i) shall be in addition to, and shall be made prior to, any adjustment required pursuant to, Section 11(a)(ii) hereof.

(ii) In the event (a "Section 11(a)(ii) Event") that any Person (other than an Exempt Person), alone or together with its Affiliates and Associates, shall, at any time after the Rights Dividend Declaration Date, become an Acquiring Person, unless the event causing such Person to become an Acquiring Person is (A) a Section 13 Event or (B) an acquisition of shares of Common Stock of the Company pursuant to a tender offer or an exchange offer for all outstanding shares of Common Stock of the Company determined by at least a majority of the members of the Board, which majority shall include a majority of the members of the Board who are not officers of the Company and who are not representatives, nominees, Affiliates or Associates of an Acquiring Person, after receiving advice from one or more investment banking firms, to be (1) at a price which is fair to the Company's stockholders and not inadequate (taking into account all factors which such members of the Board deem relevant including, without limitation, prices which could reasonably be achieved if the Company or its assets were sold on an orderly basis designed to realize maximum value) and (2) otherwise in the best interests of the Company and its stockholders (a "Qualified Offer"), then, promptly after the date of occurrence of a Section 11(a)(ii) Event, proper provision shall be made so that each holder of a Right (except as provided below and in Section 7(e) hereof) shall thereafter have the right to receive, upon exercise thereof at the then current Purchase Price in accordance with the terms of this Agreement, such number of shares of Common Stock of the Company as shall equal the result obtained by (x) multiplying the then current Purchase Price by the then number of shares of Common Stock for which a Right was exercisable immediately prior to the first occurrence of a Section 11(a)(ii) Event (whether or not such Right was then exercisable) and (y) dividing that product (which, following such first occurrence, shall thereafter be referred to as the "Purchase Price" for each Right and for all purposes of this Agreement) by 50% of the Current Market Price per share of Common Stock of the Company on the date of such first occurrence (such number of shares, the "Adjustment Shares").

(iii) In lieu of issuing only shares of Common Stock of the Company in accordance with Section 11(a)(ii) hereof, the Company, acting by resolution of the Board, may, and in the event that the number of shares of Common Stock of the Company which are authorized by the Company's Certificate of Incorporation but not outstanding or reserved for issuance for purposes other than upon exercise of the Rights is not sufficient to permit the exercise in full of the Rights in accordance with the foregoing subparagraph (ii) of this Section 11(a), the Company, acting by resolution of the Board, shall (A) determine the excess of (1) the value of the Adjustment Shares issuable upon the exercise of a Right (the "Current Value") over (2) the Purchase Price attributable to each Right (such excess, the "Spread") and (B) with respect to each Right (subject to Section 7(e) hereof), make adequate provision to substitute for all or a portion of the Adjustment Shares, upon payment of the applicable Purchase Price, (1) cash, (2) a reduction in the Purchase Price, (3) equity securities of the Company other than Common Stock of the Company (including, without limitation, shares, or units of shares, of preferred stock which the Board which, when added to any shares of Common Stock issued upon such exercise, has deemed to have the same value as shares of Common Stock of the Company (such shares of preferred stock, "Common Stock Equivalents")), (4) debt securities of the Company, (5) other assets or (6) any combination of the foregoing which, when added to any shares of Common Stock issued upon such exercise, has an aggregate value equal to the Current Value, where such aggregate value has been determined by the Board based upon the advice of a nationally recognized investment banking firm selected by the Board; provided, however, if the Company shall not have made adequate provision to deliver value pursuant to clause (B) above within thirty days following the later of (x) the first occurrence of a Section 11(a)(ii) Event and (y) the date on which the Company's right of redemption pursuant to Section 23(a) hereof, as such date may be amended pursuant to Section 26 hereof, expires

(the later of (x) and (y) being referred to herein as the "Section 11(a)(ii) Trigger Date"), then the Company shall be obligated to deliver, upon the surrender for exercise of a Right and without requiring payment of the Purchase Price, shares of Common Stock of the Company (to the extent available) and then, if necessary, cash, which shares and/or cash have an aggregate value equal to the Spread. If the Board shall determine in good faith that it is likely that sufficient additional shares of Common Stock of the Company could be authorized for issuance upon exercise in full of the Rights, the thirty day period set forth above may be extended to the extent necessary, but not more than ninety days following the Section 11(a)(ii) Trigger Date, in order that the Company may seek stockholder approval for the authorization of such additional shares (such period, as it may be extended, the "Substitution Period"). To the extent that the Company determines that some action need be taken pursuant to the first and/or second sentences of this Section 11(a)(iii), the Company (x) shall provide, subject to Section 7(e) hereof, that such action shall apply uniformly to all outstanding Rights and (y) may suspend the exercisability of the Rights until the expiration of the Substitution Period in order to seek any authorization of additional shares and/or to decide the appropriate form of distribution to be made pursuant to such first sentence and to determine the value thereof. In the event of any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect. For purposes of this Section 11(a)(iii), the value of the Common Stock of the Company shall be the Current Market Price per share of the Common Stock of the Company on the Section 11(a)(ii) Trigger Date and the value of any Common Stock Equivalent shall be deemed to have the same value as the Common Stock of the Company on such date.

(b) In case the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Common Stock entitling them to subscribe for or purchase (for a period expiring within forty-five calendar days after such record date) Common Stock (or shares having the same rights, privileges and preferences as the shares of Common Stock ("Equivalent Common Stock")) or securities convertible into Common Stock or Equivalent Common Stock at a price per share of Common Stock or per share of Equivalent Common Stock (or having a conversion price per share, if a security convertible into Common Stock or Equivalent Common Stock) less than the Current Market Price per share of Common Stock on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding on such record date, plus the number of shares of Common Stock and/or Equivalent Common Stock which the aggregate subscription or purchase price of the total number of shares of Common Stock and/or Equivalent Common Stock so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such Current Market Price, and the denominator of which shall be the number of shares of Common Stock outstanding on such record date, plus the number of additional shares of Common Stock and/or Equivalent Common Stock to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible). In case such subscription price may be paid by delivery of consideration part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes. Shares of Common Stock owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(c) In case the Company shall fix a record date for a distribution to all holders of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing or surviving corporation) of evidences of indebtedness, cash (other than a regular periodic cash dividend out of the earnings or retained earnings of the Company), assets (other than a dividend payable in Common Stock, but including any dividend payable in stock other than Common Stock) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the Current Market Price per share of Common Stock on such record date, less the fair market value (as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes) of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to a share of Common Stock and the denominator of which shall be such Current Market Price per share of Common Stock. Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such distribution is not so made, the Purchase Price shall be adjusted to be the Purchase Price which would have been in effect if such record date had not been fixed.

(d) For the purpose of any computation hereunder, other than computations made pursuant to Section 11(a)(iii) hereof, the Current Market Price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per share of such Common Stock for the thirty consecutive Trading Days immediately prior to such date, and for purposes of computations made pursuant to Section 11(a)(iii) hereof, the Current Market Price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per share of such Common Stock for the ten consecutive Trading Days immediately following such date; provided, however, that in the event that the Current Market Price per share of the Common Stock is determined during a period following the announcement by the issuer of such Common Stock of (A) a dividend or distribution on such Common Stock payable in shares of such Common Stock or securities convertible into shares of such Common Stock (other than the Rights) or (B) any subdivision, combination, consolidation, reverse stock split or reclassification of such Common Stock, and prior to the expiration of the requisite thirty Trading Day or ten Trading Day period, as set forth above, after the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination, consolidation, reverse stock split or reclassification, then, and in each such case, the Current Market Price shall be properly adjusted to take into account ex-dividend trading. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the shares of Common Stock are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system or by the Nasdaq National Market with respect to securities listed or admitted to trading on another national securities exchange or quoted by the Nasdaq National Market, respectively, or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange or quoted by the Nasdaq National Market, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by The Nasdaq Stock Market or such other quotation system then in use, or, if on any such date the shares of Common Stock are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock selected by the Board. If on any such date the Common Stock is not publicly held or not so listed, traded or quoted, and no market maker is making a market in the Common Stock, Current Market Price per share shall

mean the fair value per share as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes.

(e) Anything herein to the contrary notwithstanding, no adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least one percent in the Purchase Price; provided, however, that any adjustments which by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest ten-thousandth of a share of Common Stock or other share, as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three years from the date of the transaction which mandates such adjustment or (ii) the Expiration Date.

(f) If as a result of an adjustment made pursuant to Section 11(a)(ii) or Section 13(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of capital stock other than Common Stock, thereafter the number of such other shares so receivable upon exercise of any Right and the Purchase Price thereof (or the number of Rights) shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock contained in Sections 11(a), (b), (c), (e), (g), (h), (i), (j), (k), (l) and (m), and the provisions of Sections 7, 9, 10, 13 and 14 hereof with respect to the Common Stock shall apply on like terms to any such other shares provided, however, that the Company shall not be liable for its inability to reserve and keep available for issuance upon exercise of the Rights pursuant to Section 11(a)(ii) a number of shares of Common Stock of the Company greater than the number then authorized by the Certificate of Incorporation of the Company but not outstanding or reserved for any other purpose.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the Purchase Price hereunder shall evidence the right to purchase, at the adjusted Purchase Price, the number of shares of Common Stock purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company shall have exercised its election as provided in Section 11(i), upon each adjustment of the Purchase Price as a result of the calculations made in Sections 11(b) and (c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Purchase Price, that number of shares of Common Stock (calculated to the nearest ten-thousandth of a share) obtained by (i) multiplying (x) the number of shares covered by a Right immediately prior to this adjustment by (y) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price and (ii) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(i) The Company may elect on or after the date of any adjustment of the Purchase Price to adjust the number of Rights, in lieu of any adjustment in the number of shares of Common Stock purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights shall be exercisable for the number of shares of Common Stock for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one ten-thousandth)

obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Company shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Rights Certificates have been issued, shall be at

least ten days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Rights Certificates on such record date Rights Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such holders prior to the date of adjustment and upon surrender thereof, if required by the Company, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein (and may bear, at the option of the Company, the adjusted Purchase Price) and shall be registered in the names of the holders of record of Rights Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or the number of shares of Common Stock issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Purchase Price per share and the number of shares which were expressed in the initial Rights Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below the then stated value, if any, of the number of shares of Common Stock issuable upon exercise of the Rights, the Company shall use reasonable efforts to take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue, fully paid and nonassessable, such number of shares of Common Stock at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of shares of Common Stock and other capital stock or securities of the Company, if any, issuable upon such exercise over and above the number of shares of Common Stock and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Purchase Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or securities upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to make such adjustments in the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that in its good faith judgment the Board shall determine to be advisable in order that any (i) consolidation or subdivision of the Common Stock, (ii) issuance wholly for cash of any shares of Common Stock at less than the Current Market Price, (iii) issuance wholly for cash of shares of Common Stock or securities which by their terms are convertible into or exchangeable for shares of Common Stock, (iv) stock dividends or (v) issuance of rights, options or warrants referred to in this Section 11, hereafter made by the Company to holders of its Common Stock shall not be taxable to such stockholders.

(n) The Company covenants and agrees that it shall not, at any time after the Distribution Date, (i) consolidate with any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), (ii) merge with or into any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof) or (iii) sell or transfer (or permit any Subsidiary to sell or transfer), in one transaction or a series of related transactions, assets or earning power aggregating more than 50% of the assets or

earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company and/or any of its Subsidiaries in one or more transactions each of which complies with Section 11(o) hereof) if (x) at the time of or immediately after such consolidation, merger, sale or transfer there are any rights, warrants or other instruments or securities outstanding or agreements in effect which would substantially diminish or otherwise eliminate the benefits intended to be afforded by the Rights or (y) prior to, simultaneously with or immediately after such consolidation, merger, sale or transfer, the stockholders of the Person who constitutes, or would constitute, the "Principal Party" for purposes of Section 13(a) hereof shall have received a distribution of Rights previously owned by such Person or any of its Affiliates and Associates.

(o) The Company covenants and agrees that, after the Distribution Date, it will not, except as permitted by Section 23 or Section 26 hereof, take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

(p) Anything in this Agreement to the contrary notwithstanding, in the event that the Company shall at any time after the Rights Dividend Declaration Date and prior to the Distribution Date (i) declare a dividend on the outstanding shares of Common Stock of the Company payable in shares of Common Stock of the Company, (ii) subdivide or split the outstanding shares of Common Stock of the Company in a manner not covered in clause (i) of this Section 11(p) or (iii) combine or consolidate the outstanding shares of Common Stock of the Company into a smaller number of shares, the number of Rights associated with each share of Common Stock of the Company then outstanding, or issued or delivered thereafter but prior to the Distribution Date, shall be proportionately adjusted so that the number of Rights thereafter associated with each share of Common Stock of the Company following any such event shall equal the result obtained by multiplying the number of Rights associated with each share of Common Stock of the Company immediately prior to such event by a fraction the numerator of which shall be the total number of shares of Common Stock of the Company outstanding immediately prior to the occurrence of the event and the denominator of which shall be the total number of shares of Common Stock of the Company outstanding immediately following the occurrence of such event.

Section 12. *Certificate of Adjusted Purchase Price or Number of Shares.* Whenever an adjustment is made as provided in Section 11 or Section 13 hereof, the Company shall (a) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment,

(b) promptly file with the Rights Agent, and with each transfer agent for the Common Stock, a copy of such certificate and (c) mail a brief summary thereof to each holder of a Rights Certificate (or, if prior to the Distribution Date, to each holder of a certificate representing shares of Common Stock) in accordance with Section 25 hereof. Notwithstanding the foregoing sentence, the failure of the Company to prepare such certificate or statement or make such filings or mailing shall not affect the validity of, or the force or effect of, the requirement for such adjustment. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained.

Section 13. *Consolidation, Merger or Sale or Transfer of Assets or Earning Power.*

(a) In the event (a "Section 13 Event") that, on or after the Stock Acquisition Date, directly or indirectly, (x) the Company shall consolidate or otherwise combine with, or merge with or into, any other Person or Persons (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), and the Company shall not be the continuing or surviving corporation of such consolidation, combination or merger, (y) any Person or Persons (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof) shall consolidate or combine with, or merge with or into, the Company, and the Company shall be the

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continuing or surviving corporation of such consolidation, combination or merger and, in connection with such consolidation, combination or merger, all or part of the outstanding shares of Common Stock of the Company shall be changed into or exchanged for stock or other securities of any other Person or Persons or cash or any other property or (z) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer), in one transaction or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any Person or Persons (other than the Company or any Subsidiary of the Company in one or more transactions each of which complies with Section 11(o) hereof); provided, however, that this clause (z) of Section 13(a) shall not apply to the pro rata distribution by the Company of assets (including securities) of the Company or any of its Subsidiaries to all holders of the Company's Common Stock; then, and in each such case (except as may be contemplated by Section 13(d) hereof), proper provision shall be made so that: (i) each holder of a Right, except as provided in Section 7(e) hereof shall thereafter have the right to receive, upon the exercise thereof at the then current Purchase Price in accordance with the terms of this Agreement, such number of validly authorized and issued, fully paid, nonassessable and freely tradeable shares of Common Stock of the Principal Party, not subject to any liens, encumbrances, rights of first refusal or other adverse claims, as shall be equal to the result obtained by (1) multiplying the then current Purchase Price by the number of shares of Common Stock for which a Right is exercisable immediately prior to the first occurrence of a Section 13 Event (or, if a Section 11(a)(ii) Event has occurred prior to the first occurrence of a Section 13 Event, multiplying the number of shares of Common Stock for which a Right was exercisable immediately prior to the first occurrence of a Section 11(a)(ii) Event by the Purchase Price in effect immediately prior to such first occurrence), and (2) dividing that product (which, following the first occurrence of a Section 13 Event, shall be referred to as the "Purchase Price" for each Right and for all purposes of this Agreement) by 50% of the Current Market Price per share of the Common Stock of such Principal Party on the date of consummation of such Section 13 Event; (ii) such Principal Party shall thereafter be liable for, and shall assume, by virtue of such Section 13 Event, all the obligations and duties of the Company pursuant to this Agreement; (iii) the term "Company" shall thereafter be deemed to refer to such Principal Party, it being specifically intended that the provisions of Section 11 hereof shall apply only to such Principal Party following the first occurrence of a Section 13 Event; (iv) such Principal Party shall take such steps (including, but not limited to, the reservation of a sufficient number of shares of its Common Stock) in connection with the consummation of any such transaction as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to its shares of Common Stock thereafter deliverable upon the exercise of the Rights; and (v) the provisions of Section 11(a)(ii) hereof shall be of no effect following the first occurrence of any Section 13 Event.

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(b) "Principal Party" shall mean

(i) in the case of any transaction described in clause (x) or (y) of the first sentence of Section 13(a) hereof, (A) the Person that is the issuer of any securities into which shares of Common Stock of the Company are converted, changed or exchanged in such merger, consolidation or combination, or if there is more than one such issuer, the issuer the Common Stock of which has the greatest market value or (B) if no securities are so issued, the Person that is the other party to such merger (and survives the merger), consolidation or combination (or if there is more than one such Person, the Person the Common Stock of which has the greatest value), or if the other party to the merger does not survive the merger, the Person that does survive the merger (including the Company if it survives); and

(ii) in the case of any transaction described in clause (z) of the first sentence of Section 13(a), the Person that is the party receiving the greatest portion of the assets or earning power transferred pursuant to such transaction or transactions or, if each Person that is a party to such transaction or transactions receives the same portion of the assets or earning power so transferred or if the Person receiving the greatest portion of the assets or earning power cannot be determined, whichever of such Persons as is the issuer of Common Stock having the greatest market value;

provided, however, that in any such case, (1) if the Common Stock of such Person is not at such time and has not been continuously over the preceding twelve-month period registered under Section 12 of the Exchange Act, and such Person is a direct or indirect Subsidiary of another Person the Common Stock of which is and has been so registered, "Principal Party" shall refer to such other Person; (2) if the Common Stock of such Person is not and has not been so registered and such Person is a Subsidiary, directly or indirectly, of more than one Person, the Common Stocks of two or more of which are and have been so registered, "Principal Party" shall refer to whichever of such Persons is the issuer of the Common Stock having the greatest aggregate market value; and (3) if the Common Stock of such Person is not and has not been so registered and such Person is owned, directly or indirectly, by a joint venture formed by two or more Persons that are not owned, directly or indirectly, by the same Person, the rules set forth in (1) and (2) above shall apply to each of the chains of ownership having an interest in such joint venture as if such party were a Subsidiary of both or all of such joint venturers and the Principal Parties in each such chain shall bear the obligations set forth in this Section 13 in the same ratio as their direct or indirect interests in such Person bear to the total of such interests.

(c) The Company shall not consummate any Section 13 Event unless the Principal Party shall have a sufficient number of authorized shares of its Common Stock which have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Company and such Principal Party shall have executed and delivered to the Rights Agent a supplemental agreement confirming that the requirements of Sections 13(a) and (b) hereof shall promptly be performed in accordance with their terms and that such Section 13 Event shall not result in a default by the Principal Party under this Agreement as the same shall have been assumed by the Principal Party pursuant to Sections 13(a) and (b) hereof and further providing that, as soon as practicable after the date of such Section 13 Event, the Principal Party will:

(i) prepare and file a registration statement under the Act, with respect to the Rights and the securities purchasable upon exercise of the Rights on an appropriate form, and will use its best efforts to cause such registration statement to (A) become effective as soon as practicable after such filing and (B) remain effective (with a prospectus at all times meeting

the requirements of the Act) until the Expiration Date and to similarly comply with applicable state securities laws;

(ii) use its best efforts to list or obtain quotation of (or continue the listing or quotation of) the Rights and the securities purchasable upon exercise of the Rights on a national securities exchange or automated quotation service;

(iii) deliver to holders of the Rights historical financial statements for the Principal Party and each of its Affiliates which comply in all respects with the requirements for registration on Form 10 (or any successor form) under the Exchange Act; and

(iv) use its best efforts to obtain waivers of any rights of first refusal or preemptive rights in respect of the shares of Common Stock of the Principal Party subject to purchase upon exercise of outstanding Rights.

The provisions of this Section 13 shall similarly apply to successive mergers, consolidations, combinations or sales or other transfers. In the event that a Section 13 Event shall occur at any time after the occurrence of a Section 11(a)(ii) Event, the Rights which have not theretofore been exercised shall thereafter become exercisable in the manner described in Section 13(a).

(d) Notwithstanding anything in this Agreement to the contrary, Section 13 shall not be applicable to a transaction described in subparagraph (x) or (y) of Section 13(a) if (i) such transaction is consummated with a Person or Persons (or a wholly owned Subsidiary of any such Person or Persons) who acquired shares of Common Stock of the Company pursuant to a Qualified Offer, (ii) the price per share of Common Stock of the Company offered in such transaction is not less than the price per share of Common Stock of the Company paid to all holders of shares of Common Stock of the Company whose shares were purchased pursuant to such tender offer or exchange offer and (iii) the form of consideration being offered to the remaining holders of shares of Common Stock of the Company pursuant to such transaction is the same as the form of consideration paid pursuant to such tender offer or exchange offer. Upon consummation of any such transaction contemplated by this Section 13(d), all Rights hereunder shall expire.

Section 14. *Fractional Rights and Fractional Shares.*

(a) The Company shall not be required to issue fractions of Rights, except prior to the Distribution Date as provided in Section 11(p) hereof, or to distribute Rights Certificates which evidence fractional Rights. In lieu of any such fractional Rights, there shall be paid to the registered holders of the Rights Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price of the Rights for any Trading Day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system or the Nasdaq National Market with respect to securities listed on another national securities exchange or quoted by the Nasdaq National Market, respectively, or if the Rights are not listed or admitted to trading on any national securities exchange or quoted on the Nasdaq National Market, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by The Nasdaq Stock Market or such other quotation

system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board. If on any such date no such market maker is making a market in the Rights, the fair value of the Rights on such date as determined in good faith by the Board shall be used.

(b) The Company shall not be required to issue fractions of shares of Common Stock of the Company upon exercise of the Rights or to distribute certificates which evidence fractional shares of Common Stock of the Company. In lieu of fractional shares of Common Stock of the Company, the Company may pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one share of Common Stock of the Company. For purposes of this Section 14(b), the current market value of one share of Common Stock shall be the closing price of one share of Common Stock or, if unavailable, the appropriate alternative price (in each case as determined pursuant to Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of such exercise.

(c) The holder of a Right by the acceptance of that Right expressly waives his right to receive any fractional Rights or any fractional shares upon exercise of a Right, except as permitted by this Section 14.

Section 15. *Rights of Action.* All rights of action in respect of this Agreement, except any rights of action vested in the Rights Agent pursuant to Section 18 hereof, are vested in the respective registered holders of the Rights Certificates (and, prior to the Distribution Date, the registered holders of the Common Stock of the Company); and any registered holder of any Rights Certificate (or, prior to the Distribution Date, of the Common Stock of the Company), without the consent of the Rights Agent or of the holder of any other Rights Certificate (or, prior to the Distribution Date, of the Common Stock of the Company), may, in such holder's own behalf and for such holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, such holder's right to exercise the Rights evidenced by such Rights Certificate in the manner provided in such Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and shall be entitled to specific performance of the obligations hereunder and injunctive relief against actual or threatened violations of the obligations hereunder of any Person subject to this Agreement.

Section 16. *Agreement of Rights Holders.* Every holder of a Right by accepting the same consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of Common Stock of the Company;

(b) after the Distribution Date, the Rights Certificates are transferable only on the registry books of the Rights Agent if surrendered at the principal office or offices of the Rights Agent designated for such purposes, duly endorsed or accompanied by a proper instrument of transfer and with the appropriate forms and certificates fully executed;

(c) subject to Section 6(a) and Section 7(f) hereof, the Company and the Rights Agent may deem and treat the person in whose name a Rights Certificate (or, prior to the Distribution Date, the associated Common Stock certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Rights Certificates or the associated Common Stock certificate made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent,

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subject to the last sentence of Section 7(e) hereof, shall be required to be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority prohibiting or otherwise restraining performance of such obligation; provided, however, the Company must use reasonable efforts to have any such order, decree or ruling lifted or otherwise overturned as soon as possible.

Section 17. *Rights Certificate Holder Not Deemed a Stockholder.* No holder, as such, of any Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the number of shares of Common Stock or any other securities of the Company which may at any time be issuable upon the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 24 hereof), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by such Rights Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. *Concerning the Rights Agent.*

(a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and disbursements and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim of liability in the premises.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any Rights Certificate or certificate for Common Stock or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement or other paper or document reasonably believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

Section 19. *Merger or Consolidation or Change of Name of Rights Agent.*

(a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the corporate trust or stock transfer business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided, however, that such corporation would be eligible for appointment as a successor Rights

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Agent under the provisions of Section 21 hereof. If at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Rights Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of a predecessor Rights Agent and deliver such Rights Certificates so countersigned; and if at that time any of the Rights Certificates shall not have been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor or in the name of the successor Rights Agent; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

(b) If at any time the name of the Rights Agent shall be changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and if at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

Section 20. *Duties of Rights Agent.* The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of any Acquiring Person and the determination of the Current Market Price) be proved or established by the

Company prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the Chairman of the Board, the President, or any Vice President of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Rights Certificates, nor shall it be required to verify the same (except as to its countersignature on such Rights Certificates), but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Rights Certificate (except its countersignature thereon); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Rights Certificate; nor shall it be responsible for any adjustment required under the provisions of Section 11 or Section 13 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Rights Certificates after actual notice of any such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or

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reservation of any shares of Common Stock to be issued pursuant to this Agreement or any Rights Certificate or as to whether any shares of Common Stock will, when so issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the President, or any Vice President of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered to be taken by it in good faith in accordance with instructions of any such officer.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct; provided, however, reasonable care was exercised in the selection and continued employment thereof.

(j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) If, with respect to any Rights Certificate surrendered to the Rights Agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase, as the case may be, has either not been completed or indicates an affirmative response to clause 1 and/or 2 thereof, the Rights Agent shall not take any further action with respect to such requested exercise or transfer without first consulting with the Company.

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Section 21. *Change of Rights Agent.* The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty days' notice in writing mailed to the Company, and to each transfer agent of the Common Stock, by registered or certified mail, and to the holders of the Rights Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon thirty days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Stock, by registered or certified mail, and to the holders of the Rights Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of thirty days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Rights Certificate (who shall, with such notice, submit his Rights Certificate for inspection by the Company), then any registered holder of any Rights Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. If no successor Rights Agent shall have been appointed within thirty days from effectiveness of such removal or resignation, and no registered holder of any Rights Certificates have applied pursuant to this Agreement for the appointment of a new Rights Agent, the Company shall be automatically designated as successor Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (a) a corporation organized and doing business under the laws of the United States or of any state of the United States so long as such corporation, if other than the Company, is authorized to do business as a banking institution in such state, is in good standing, is authorized under such laws to exercise corporate trust powers, is subject to supervision or examination by federal or state authority and has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$100,000,000 or (b) an Affiliate of a corporation described in clause (a) of this sentence. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and shall execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the

Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Stock, and shall mail a notice thereof in writing to the registered holders of the Rights Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. *Issuance of New Rights Certificates.* Notwithstanding any of the provisions of this Agreement or of the Rights Certificates to the contrary, the Company may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares or other securities or property purchasable under the Rights Certificates made in accordance with the provisions of this Agreement. In addition, in connection with the issuance or sale of shares of Common Stock of the Company following the Distribution Date and prior to the redemption or expiration of the Rights, the Company (a) shall, with respect to shares of Common Stock of the Company so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, or upon the exercise, conversion or exchange of securities hereafter issued by the Company and (b) may, in any other case, if deemed necessary or appropriate by the Board, issue Rights Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Rights Certificate shall be issued if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Rights Certificate would be issued and (ii) no such Rights

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Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 23. *Redemption and Termination.*

(a) The Board may, at its option, at any time prior to the earlier of (i) the Close of Business on the tenth Business Day following the Stock Acquisition Date (or, if the Stock Acquisition Date shall have occurred prior to the Record Date, the Close of Business on the tenth Business Day following the Record Date), as such period may be extended pursuant to Section 26 hereof, or (ii) the Final Expiration Date, direct the Company to, and if so directed, the Company shall, redeem all but not less than all of the then outstanding Rights at a redemption price of \$.01 per Right, as such amount may be appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"). Notwithstanding anything contained in this Agreement to the contrary, the Rights shall not be exercisable after the first occurrence of a Section 11(a)(ii) Event until such time as the Company's right of redemption hereunder has expired. The Company may, at its option, pay the Redemption Price in cash, shares of Common Stock of the Company (based on the Current Market Price of the Common Stock at the time of redemption) or any other form of consideration deemed appropriate by the Board.

(b) Immediately upon the action of the Board ordering the redemption of the Rights, evidence of which shall have been filed with the Rights Agent and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price for each Right so held. Promptly after the action of the Board ordering the redemption of the Rights, the Company shall give notice of such redemption to the Rights Agent and the holders of the then outstanding Rights by mailing such notice to all such holders at each holder's last address as it appears upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Stock. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made.

Section 24. *Exchange.*

(a) The Board of Directors of the Company may, at its option, at any time after any Person becomes an Acquiring Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become void pursuant to the provisions of Section 7(e) hereof) for Common Stock at an exchange ratio of one share of Common Stock per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such exchange ratio being hereinafter referred to as the "Exchange Ratio"). Notwithstanding the foregoing, the Board of Directors of the Company shall not be empowered to effect such exchange at any time after any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or any such Subsidiary, or any entity holding Voting Stock for or pursuant to the terms of any such plan), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or more of the Voting Stock then outstanding.

(b) Immediately upon the action of the Board of Directors of the Company ordering the exchange of any Rights pursuant to subsection (a) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of a holder of such Rights shall be to receive that number of shares of Common Stock equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company shall promptly give public notice of any such exchange; provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The

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Company promptly shall mail a notice of any such exchange to all of the holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the Common Stock for Rights will be effected and, in the event of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become void pursuant to the provisions of Section 7(e) hereof) held by each holder of Rights.

(c) In the event that there shall not be sufficient shares of Common Stock issued but not outstanding or authorized but unissued to permit any exchange of Rights as contemplated in accordance with this Section 24, the Company shall take all such action as may be necessary to authorize additional shares of Common Stock for issuance upon exchange of the Rights.

Section 25. *Notice of Certain Events.*

(a) In case the Company shall propose, at any time after the Distribution Date, (i) to pay any dividend payable in stock of any class to the holders of Common Stock or to make any other distribution to the holders of Common Stock (other than a regular periodic cash dividend out of earnings or retained earnings of the Company) or (ii) to offer to the holders of Common Stock rights or warrants to subscribe for or to purchase any additional shares of Common Stock or shares of stock of any class or any other securities, rights or options, or (iii) to effect any reclassification of its Common Stock (other than a reclassification involving only the subdivision of outstanding shares of Common Stock), or (iv) to effect any consolidation, combination or merger into or with any other Person (other than a Subsidiary of the Company in a transaction which complies with Section 11(o) hereof), or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one transaction or a series of related transactions, of more than 50% of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company and/or any of its Subsidiaries in one or more transactions each of which complies with Section 11(o) hereof), or (v) to effect the liquidation, dissolution or winding up of the Company, then, in each such case, the Company shall give to each holder of a Rights Certificate, to the extent feasible and in accordance with Section 26 hereof, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend or distribution of rights or warrants, or the date on which such reclassification, consolidation, combination, merger, sale, transfer, liquidation, dissolution or winding up is to take place and the date of participation therein by the holders of the shares of Common Stock, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least twenty days prior to the record date for determining holders of the shares of Common Stock for purposes of such action, and in the case of any such other action, at least twenty days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the shares of Common Stock whichever shall be the earlier.

(b) In case any Section 11(a)(ii) Event shall occur, then, in any such case, (i) the Company shall as soon as practicable thereafter give to each holder of a Rights Certificate, to the extent feasible and in accordance with Section 26 hereof, a notice of the occurrence of such event, which shall specify the event and the consequences of the event to holders of Rights under Section 11(a)(ii) hereof and (ii) all references in the preceding paragraph to Common Stock shall be deemed thereafter to refer to Common Stock of the Company and/or, if appropriate, other securities.

Section 26. *Notices.* Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Rights Certificate to or on the Company shall be sufficiently

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given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Boise Cascade Corporation
P.O. Box 50
Boise, Idaho 83728-0001
Attention: General Counsel

Subject to the provisions of Section 21, any notice or demand authorized by this Agreement to be given or made by the Company or by the holder of any Rights Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

First Chicago Trust Company of New York
525 Washington Boulevard
Suite 4660
Jersey City, New Jersey 07310
Attention: Tenders and Exchanges Administration

Notices or demands authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Rights Certificate (or, if prior to the Distribution Date, to the holder of certificates representing shares of Common Stock of the Company) shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Company.

Section 27. *Supplements and Amendments.* Prior to the Distribution Date and subject to the penultimate sentence of this Section 27, the Company and the Rights Agent shall, if the Board so directs, supplement or amend any provision of this Agreement without the approval of any holders of certificates representing shares of Common Stock of the Company. From and after the Distribution Date and subject to the penultimate sentence of this Section 27, the Company and the Rights Agent shall, if the Board so directs, supplement or amend this Agreement without the approval of any holders of Rights Certificates in order (i) to cure any ambiguity, (ii) to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, (iii) to shorten or lengthen any time period hereunder or (iv) to change or supplement the provisions hereunder in any manner which the Company may deem necessary or desirable and which shall not adversely affect the interests of the holders of Rights Certificates (other than an Acquiring Person or any Affiliate or Associate of any Acquiring Person), provided, this Agreement may not be supplemented or amended to lengthen, pursuant to clause (iii) of this sentence, (A) a time period relating to when the Rights may be redeemed at such time as the Rights are not then redeemable or (B) any other time period unless such lengthening is for the purpose of protecting, enhancing or clarifying the rights of, and/or the benefits to, the holders of Rights (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person). Upon the delivery of a certificate from an appropriate officer of the Company which states that the proposed supplement or amendment is in compliance with the terms of this Section 27, the Rights Agent shall execute such supplement or amendment. Notwithstanding anything contained in this Agreement to the contrary, no supplement or amendment shall be made which changes the Redemption Price, the Final Expiration Date, the Purchase Price or the number of shares of Common Stock for which a Right is exercisable; provided, however, that at any time prior to (x) the existence of an Acquiring Person or (y) the date that a tender or exchange offer by any Person (other than an Exempt Person) is first published or sent or given within the meaning of Rule 14d-2(a) of the General Rules and Regulations under the Exchange Act if upon consummation thereof such Person would be an Acquiring Person, the Board may amend this Agreement to increase the Purchase Price or extend the Final Expiration Date. Prior to the

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Distribution Date, the interests of the holders of Rights shall be deemed coincident with the interests of the holders of Common Stock of the Company.

Section 28. *Successors.* All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. *Determinations and Actions by the Board, etc.* For all purposes of this Agreement, any calculation of the number of shares of Common Stock of the Company outstanding at any particular time, including for purposes of determining the particular percentage of such outstanding shares of Common Stock of the Company of which any Person is the Beneficial Owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules and Regulations under the Exchange Act. The Board shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the Board, or to the Company, or as may be necessary or advisable in the administration of this Agreement, including, without limitation, the right and power to (a) interpret the provisions of this Agreement, and (b) make all determinations deemed necessary or advisable for the administration of this Agreement (including a determination to redeem or not redeem the Rights or to amend the Agreement). All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board, the Outside Directors or the Company in good faith, shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other parties, and (y) not subject the Board to any liability to the holders of the Rights.

Section 30. *Benefits of this Agreement.* Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, registered holders of the Common Stock of the Company) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, registered holders of the Common Stock of the Company).

Section 31. *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; provided, however, that notwithstanding anything in this Agreement to the contrary, if any such term, provision, covenant or restriction is held by such court or authority to be invalid, void or unenforceable and the Board determines in its good faith judgment that severing the invalid language from this Agreement would adversely affect the purpose or effect of this Agreement, the right of redemption set forth in Section 23 hereof shall be reinstated and shall not expire until the Close of Business on the tenth Business Day following the date of such determination by the Board. Without limiting the foregoing, if any provision of this Agreement requiring that a determination be made by the Board or by the Outside Directors is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, such determination shall then be made by the Board in accordance with applicable law and the Company's Certificate of Incorporation and By-laws.

Section 32. *Governing Law.* This Agreement, each Right and each Rights Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware, and the laws of the State of Delaware shall govern the rights and duties of the Rights Agent hereunder, and for all purposes this Agreement shall be governed by and construed in accordance with the laws of such State applicable to contracts made and to be performed entirely within such State.

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Section 33. *Counterparts.* This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 34. *Descriptive Headings.* Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of December 12, 2003.

Attest:

BOISE CASCADE CORPORATION

By:

By:

Name:
Title:

Name:
Title:

Attest:

FIRST CHICAGO TRUST COMPANY OF NEW YORK

By:

By:

Name:
Title:

Name:
Title:

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Exhibit A

[Form of Rights Certificate]

Certificate No. R-

Rights

NOT EXERCISABLE AFTER DECEMBER 13, 2008 OR EARLIER REDEMPTION BY THE COMPANY OR EXPIRATION PURSUANT TO THE RENEWED RIGHTS AGREEMENT. THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE COMPANY, AT \$.01 PER RIGHT ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. THE RIGHTS SHALL NOT BE EXERCISABLE, AND SHALL BE VOID SO LONG AS HELD, BY A HOLDER IN ANY JURISDICTION WHERE THE REQUISITE QUALIFICATION FOR THE ISSUANCE TO SUCH HOLDER, OR THE EXERCISE BY SUCH HOLDER, OF THE RIGHTS IN SUCH JURISDICTION SHALL NOT HAVE BEEN OBTAINED OR BE OBTAINABLE. UNDER CERTAIN CIRCUM- STANCES, RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RENEWED RIGHTS AGREEMENT) AND ANY SUBSEQUENT HOLDER OF SUCH RIGHTS MAY BECOME NULL AND VOID. [THE RIGHTS

REPRESENTED BY THIS RIGHTS CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS OR BECAME AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RENEWED RIGHTS AGREEMENT). ACCORDINGLY, THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY MAY BECOME NULL AND VOID IN THE CIRCUMSTANCES SPECIFIED IN SECTION 7(e) OF SUCH AGREEMENT.]*

* The portion of the legend in brackets shall be inserted only if applicable and shall replace the preceding sentence. Rights Certificate

BOISE CASCADE CORPORATION

This certifies that _____, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Renewed Rights Agreement, dated as of September 25, 1997, as amended and restated as of December 12, 2003 and as further amended, restated, renewed or extended from time to time (the "Rights Agreement"), between Boise Cascade Corporation, a Delaware corporation (the "Company"), and First Chicago Trust Company of New York, a New York corporation (the "Rights Agent"), to purchase from the Company at any time prior to 5:00 p.m. (New York City time) on December 13, 2008 at the office or offices of the Rights Agent, designated for such purpose, one fully paid, nonassessable share of the Common Stock \$2.50 par value, (the "Common Stock") of the Company, at a purchase price of \$175 per share (the "Purchase Price"), upon presentation and surrender of this Rights Certificate with the Election to Purchase and related Certificate duly executed. The number of Rights evidenced by this Rights Certificate (and the number of shares which may be purchased upon exercise thereof) set forth above, and the Purchase Price per share set forth above, are the number and Purchase Price as of September 25, 1997, based on the Common Stock as constituted at such date. The Company reserves the right to require prior to the occurrence of a Triggering Event (as such term is defined in the Rights Agreement) that a number of Rights be exercised so that only whole shares of Common Stock will be issued.

As more fully set forth in the Rights Agreement, from and after the first occurrence of a Section 11(a)(ii) Event (as such term is defined in the Rights Agreement), if the Rights evidenced by this Rights Certificate are beneficially owned by (i) an Acquiring Person or an Associate or Affiliate of an Acquiring Person (as such terms are defined in the Rights Agreement), which the Board (as defined in the Rights Agreement) in its sole discretion determines is or was involved in or caused or facilitated

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directly or indirectly, such Section 11(a)(ii) Event, (ii) a transferee of any such Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after such Acquiring Person becomes such or (iii) under certain circumstances specified in the Rights Agreement, a transferee of such Acquiring Person (or of any such Associate or Affiliate), who becomes a transferee prior to or concurrently with such Acquiring Person becoming such, such Rights shall become null and void and no holder hereof shall have any right with respect to such Rights from and after the occurrence of such Section 11(a)(ii) Event.

As provided in the Rights Agreement, the Purchase Price and the number and kind of shares of Common Stock or other securities which may be purchased upon the exercise of the Rights evidenced by this Rights Certificate are subject to modification and adjustment upon the happening of certain events, including Triggering Events.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Rights Certificates, which limitations of rights include the temporary suspension of the exercisability of such Rights under the specific circumstances set forth in the Rights Agreement. Reference is also made to the Rights Agreement for definitions of capitalized terms used and not defined herein. Copies of the Rights Agreement are on file at the principal offices of the Company and are available upon written request to the Rights Agent.

This Rights Certificate, with or without other Rights Certificates, upon surrender at the principal office or offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number of shares of Common Stock as the Rights evidenced by the Rights Certificate or Rights Certificates surrendered shall have entitled such holder to purchase. If this Rights Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Company at its option at a redemption price of \$.01 per Right at any time prior to the earlier of (i) the Close of Business on the tenth Business Day following the Stock Acquisition Date (or if the Stock Acquisition Date shall have occurred prior to the Record Date, the Close of Business on the tenth Business Day following the Record Date), as such time period may be extended pursuant to the Rights Agreement, and (ii) the Final Expiration Date (as defined in the Rights Agreement).

If the Company so determines, no fractional shares of Common Stock will be issued upon the exercise of any Right or Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of shares of Common Stock or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividend or subscription rights, or otherwise, until the Right or Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

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This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal.

Dated as of _____, 19

ATTEST: BOISE CASCADE CORPORATION

By:

Secretary

Name:
Title:

Countersigned:

FIRST CHICAGO TRUST COMPANY OF NEW YORK

By _____
Authorized Signature

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[Form of Reverse Side of Rights Certificate]

ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee)

this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the within Rights Certificate on the books of the within-named Company, with full power of substitution.

Dated: _____, 19

Signature

Signature Guaranteed:

Certificate

The undersigned hereby certifies by checking the appropriate boxes that:

(1) this Rights Certificate [] is [] is not being sold, assigned and transferred by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate of any such Acquiring Person (as such terms are defined pursuant to the Rights Agreement); and

(2) after due inquiry and to the best knowledge of the undersigned, the undersigned [] did [] did not acquire the Rights evidenced by this Rights Certificate from any Person who is, was or subsequently became an Acquiring Person or an Affiliate or Associate of any such Acquiring Person.

Dated: _____, 19

Signature

Signature Guaranteed:

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NOTICE

The signatures to the foregoing Assignment and Certificate must correspond to the name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.

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ELECTION TO PURCHASE

(To be executed if holder desires to exercise Rights represented by the Rights Certificate.)

To: BOISE CASCADE CORPORATION:

The undersigned hereby irrevocably elects to exercise Rights represented by this Rights Certificate to purchase the shares of Common Stock issuable upon the exercise of the Rights (or such other securities of the Company or of any other Person which may be issuable upon the exercise of the Rights) and requests that certificates for such shares be issued in the name of and delivered to:

Please insert social security or other identifying number

(Please print name and address)

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

Please insert social security or other identifying number

(Please print name and address)

Dated: , 19

Signature

Signature Guaranteed:

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Certificate

The undersigned hereby certifies by checking the appropriate boxes that:

(1) the Rights evidenced by this Rights Certificate [] are [] are not being exercised by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate of any such Acquiring Person (as such terms are defined pursuant to the Rights Agreement); and

(2) after due inquiry and to the best knowledge of the undersigned, the undersigned [] did [] did not acquire the Rights evidenced by this Rights Certificate from any Person who is, was or became an Acquiring Person or an Affiliate or Associate of any such Acquiring Person.

Dated: , 19

Signature

Signature Guaranteed:

NOTICE

The signatures to the foregoing Election to Purchase and Certificate must correspond to the name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.

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Exhibit B

On September 25, 1997, the Board of Directors of Boise Cascade Corporation (the "Company") declared a dividend distribution of one Right for each outstanding share of Company Common Stock to stockholders of record upon the "Expiration Date" under the Company's Rights Agreement dated December 13, 1988 and Amended and Restated September 25, 1990 (the "Record Date"). The Rights Agreement (hereinafter defined) also contemplates the issuance of one Right for each share of Common Stock which is issued between the Record Date and the Distribution Date. Each Right entitles the registered holder to purchase from the Company one share of Common Stock, par value \$2.50 per share, of the Company (the "Common Stock") at a Purchase Price of \$175 per share, subject to anti-dilutive adjustments. The description and terms of the Rights are set forth in a Renewed Rights Agreement dated as of September 25, 1997 and amended and restated as of December 12, 2003 (the "Rights Agreement") between the Company and First Chicago Trust Company of New York, as Rights Agent.

Initially, the Rights will be attached to all Common Stock certificates representing shares then outstanding, and no separate Rights Certificates will be distributed. Subject to certain exceptions specified in the Rights Agreement, the Rights will be represented by the Common Stock certificates and will not be exercisable or transferable apart from the Common Stock until the earlier to occur of (i) 10 business days (or such later date as the Board shall determine) following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired beneficial ownership of 15% or more of the outstanding shares of capital stock of the Company which may be voted on all matters submitted to stockholders of the Company generally (the "Voting Stock", and such date being referred to as the "Stock Acquisition Date"), other than as a result of repurchases of stock by the Company or certain inadvertent actions by institutional or certain other stockholders or (ii) 10 business days (or such later date as the Board shall determine) following the commencement of a tender offer or exchange offer that would result in a person or group becoming an Acquiring Person (the earlier of such dates being called the "Distribution Date"). Until the Distribution Date, (i) the Rights will be evidenced by the Common Stock certificates and will be transferred with and only with such Common Stock certificates, (ii) new Common Stock certificates issued after the Record Date will contain a notation incorporating the Rights Agreement by reference and (iii) the surrender for transfer of any certificates for Common Stock outstanding will also constitute the transfer of the Rights associated with the Common Stock represented by such certificate. Pursuant to the Rights Agreement, the Company reserves the right to require prior to the occurrence of a Triggering Event (as defined below) that, upon any exercise of Rights, a number of Rights be exercised so that only whole shares of Common Stock will be issued.

The Rights are not exercisable until the Distribution Date and will expire at the close of business on December 13, 2008, unless such date is extended or the Rights are earlier redeemed or exchanged by the Company as described below.

As soon as practicable after the Distribution Date, Rights Certificates will be mailed to holders of record of the Common Stock as of the close of business on the Distribution Date and, thereafter, the separate Rights Certificates alone will represent the Rights. Except as otherwise determined by the Board of Directors, only shares of Common Stock issued prior to the Distribution Date will be issued with Rights.

In the event that a Person becomes an Acquiring Person, except pursuant to an offer for all outstanding shares of Common Stock determined by at least a majority of the independent directors to be at a price which is fair and not inadequate and to otherwise be in the best interests of the Company

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and its stock-holders, after receiving advice from one or more investment banking firms (a "Qualified Offer"), each holder of a Right will thereafter have the right to receive, upon exercise, Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a value equal to two times the exercise price of the Right. Notwithstanding any of the foregoing, following the occurrence of the event set forth in this paragraph, all Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by any Acquiring Person will be null and void. However, Rights are not exercisable following the occurrence of the event set forth above until such time as the Rights are no longer redeemable by the Company as set forth below.

For example, at an exercise price of \$175 per Right, each Right not owned by an Acquiring Person (or by certain related parties) following an event set forth in the preceding paragraph would entitle its holder to purchase \$350 worth of Common Stock (or other consideration, as noted above) for \$175. Assuming that the Common Stock had a per share value of \$50 at such time, the holder of each valid Right would be entitled to purchase 7 shares (\$350 divided by \$50) of Common Stock for \$175.

If at any time following the Stock Acquisition Date, (i) the Company engages in a merger or other business combination transaction in which the Company is not the surviving corporation (other than with an entity which acquired the shares pursuant to a Qualified Offer), (ii) the Company engages in a merger or other business combination transaction in which the Company is the surviving corporation and the Common Stock of the Company is changed or exchanged, or (iii) 50% or more of the Company's as- sets, cash flow or earning power is sold or transferred, each holder of a Right (except Rights which have previously been voided as set forth above) shall thereafter have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two times the exercise price of the Right. The events set forth in this paragraph and in the second preceding paragraph are referred to as the "Triggering Events."

At any time after a person becomes an Acquiring Person and prior to the acquisition by such person or group of fifty percent (50%) or more of the outstanding Voting Stock, the Board may exchange the Rights (other than Rights owned by such person or group which have become void), in whole or in part, at an exchange ratio of one share of Common Stock per Right (subject to adjustment).

At any time prior to the earlier of (i) the Close of Business on the tenth business day following the Stock Acquisition Date (or, if the Stock Acquisition Date shall have occurred prior to the Record Date, the Close of Business on the tenth Business Day following the Record Date), or (ii) Final Expiration Date, the Board of Directors may, at its option, redeem the Rights in whole, but not in part, at a price of \$.01 per Right (payable in cash, Common Stock or other consideration deemed appropriate by the Board of Directors). Immediately upon the action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the \$.01 redemption price.

Until a holder exercises a Right, the holder may not vote or receive dividends and will have no other rights as a stockholder of the Company. While the distribution of the Rights will not be taxable to stockholders or to the Company, stockholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock (or other consideration) of the Company or for common stock of the acquiring company or in the event of the redemption of the Rights as set forth above.

Any of the provisions of the Rights Agreement may be amended by the Board of Directors of the Company prior to the Distribution Date. After the Distribution Date, the provisions of the Rights Agreement may be amended by the Board to cure any ambiguity, to make changes which do not adversely affect the interests of holders of Rights, or to shorten or lengthen any time period under the Rights Agreement with a few exceptions. The foregoing notwithstanding, no amendment may be made at such time as the Rights are not redeemable.

A copy of the Rights Agreement will be filed with the Securities and Exchange Commission as an Exhibit to a Registration Statement on Form 8-A. A copy of the Rights Agreement is available free of charge from the Company. This summary description of the Rights does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement, which is incorporated herein by reference.

QuickLinks

[Exhibit 4.3](#)

[RENEWED RIGHTS AGREEMENT](#)

[Exhibit A](#)

[Exhibit B](#)

[SUMMARY OF RIGHTS TO PURCHASE COMMON STOCK](#)

BOISE CASCADE CORPORATION

KEY EXECUTIVE PERFORMANCE PLAN FOR EXECUTIVE OFFICERS

(As Amended Through September 26, 2003)

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" means 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" means a period of one year, commencing each January 1 and ending on the following December 31.

2.3 "Base Salary" means 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" means 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" means the deemed opportunity cost of employing Capital for the Company calculated as follows: Capital Charge = average Capital \times Pretax Required Rate of Return.

2.6 A "Change in Control of the Company" shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.6(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.6(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.6(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.6(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the

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shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.7 "Committee" means the Executive Compensation Committee of the Company's Board of Directors (the "Board") or any successor to the Committee.

2.8 "Corporate Performance Award Criteria" means 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" means the irrevocable trust (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.10 "Division or Location Performance Measures" 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" means 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" means the excess NOPBT that remains after subtracting the Capital Charge, expressed as follows: $EVA = NOPBT - Capital Charge$

2.13 "Executive Officers" 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" means 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.

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

2.16 "Participant" means 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 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 "Pension Plan" means the Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

2.18 "Pretax Required Rate of Return" (also commonly known as the "cost of capital") means 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 "Retirement" means a Participant's termination of employment with the Company for reasons other than death, total disability (as defined in the Pension Plan), or disciplinary reasons (as that term is used for purposes of the Company's Corporate Policy 10.2, Termination of Employment) at any time after the Participant has attained age 55 with 10 or more years of service (as defined in the Pension Plan).

2.20 "Return on Equity" means the Company's Net Income, divided by average shareholders' equity.

2.21 "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 but only upon the Committee's certification that the applicable Award Criteria have been satisfied and upon determination of the amount of each Award. No Award shall be deemed to be earned under this Plan prior to the Committee's certification and Award determination. 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 final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these

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employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Sections 12 and 13. Any interpretation by the Committee shall be final and binding on the Participants.

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 Pension Plan 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 Committee certifies that an Award is payable under the applicable Criteria and determines the amount of the Award. 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 be eligible to 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.

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 as provided in the Company's 2001 Key Executive Deferred Compensation Plan.

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9. *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with

respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

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.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

10.3 *Taxes.* The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld. 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 the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

11. *Amendment and Termination.* The Company, acting through its Board or any committee of the Board, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

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 Salaried and Executive Compensation Manager, 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 Salaried and Executive Compensation Manager, in his or her sole discretion, by providing written notice of such extension to the claimant prior to the expiration

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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 Salaried and Executive Compensation Manager, 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.

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QuickLinks

[Exhibit 10.1](#)

[BOISE CASCADE CORPORATION KEY EXECUTIVE PERFORMANCE PLAN FOR EXECUTIVE OFFICERS \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION

1986 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

(As Amended Through September 26, 2003)

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 be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition

of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.1(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.1(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company

securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.2 *Committee.* The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.3 *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.

2.4 *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

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the provisions of the Plan, 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 (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.6 *Disability.* A condition that totally and continuously prevents the Participant, for at least 6 consecutive months, from engaging in an "occupation" for remuneration or profit. During the first 24 months of 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 Committee determines, in its sole discretion, that a Disability exists.

2.7 *Early Retirement Date.* The date of a Participant's Termination of Employment for reasons other than death, total disability (as defined in the Pension Plan), or disciplinary reasons (as that term is used for purposes of the Company's Corporate Policy 10.2, Termination of Employment) before attaining age 65 but after attaining age 55, and after completing 10 years of service (as defined in the Pension Plan). 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 offered by the Company and applicable to the Participant.

2.8 *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.

2.9 *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 2.9 shall be subject to adjustment in the event there is an alteration of the amount to be deferred as provided in Section 4.3.

2.10 *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 Committee.

2.11 *Normal Retirement Date.* The first day of the month on or after a Participant's 65th birthday.

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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 amended from time to time.

2.14 *Service.* Service as earned and credited under the 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, 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 Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

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 4-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 4 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 or her 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

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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 Committee. A request to alter the amount of compensation deferred must be submitted by a Participant in writing to the Committee 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 Committee, 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 Committee, 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 Committee, 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 or her 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 or she may elect to receive a return of his or her deferrals. Each such return of deferral shall be made in a lump sum, 7 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. Any such request shall be approved or denied at the sole discretion of the Committee. 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 or her account in a lump sum or in equal monthly 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 monthly installments over 15 years beginning January 1 of the year following Termination of Employment. The Participant may

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request other forms of payout which are subject to approval by the Committee, pursuant to Section 5.4.

5.4 *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 further that the request is received by the Committee 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 discretion of the Committee. 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 request at any time 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 Committee. The lump-sum payment shall be made within 30 days of the date on which the request for distribution is received. 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 or her benefits have commenced and prior to the distribution of the entire Participant Account, his or her 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 or her 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 or her Normal Retirement Date, he or she shall be entitled to be paid the 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.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

6.3 *Taxes.* The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

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 Committee or the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 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 the same

manner and at the same time as such benefits would have been paid under the Pension Plan.

8. *Amendment and Termination.* The Company, acting through its Board of Directors or any committee of the Board, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

9. *Unsecured General Creditor.* Except as provided in Section 10, 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. The 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

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

10. *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

11. *Claims Procedure.*

11.1 *In General.* Claims for benefits under the Plan, other than claims for Disability benefits under Section 5.7, shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days for special circumstances by the Compensation Manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

11.2 *Disability Claims.* Claims for Disability benefits under Section 5.7 of the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 45 days after the application is filed. This 45-day period may be extended for up to two additional 30-day periods by the Compensation Manager, in his or her sole discretion, in each case for reasons beyond the Plan's control and by providing written notice of the extension to the claimant prior to the expiration of the current period. If additional information is needed from the Participant in order to make a decision on the claim, the Manager

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will notify the Participant of the information needed and the Participant will have 45 days to provide the requested information. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits,
- if an internal rule or guideline was relied upon, state that an internal rule or guideline was relied upon and that a copy of the rule or guideline will be provided at no charge upon request,
-

if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and

- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

12. *Claims Review Procedure.*

12.1 *In General.* Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit claim, other than a claim for Disability benefits under Section 5.7 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 11.1, and shall be filed with the Company's Compensation Manager. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

12.2 *Disability Claims.* Any Participant, former Participant, or Beneficiary of either, who has been denied a claim for Disability benefits under Section 5.7 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed with the Company's Compensation Manager no later than 180 days after receipt of the written notification provided for in Section 11.2. The Manager shall promptly inform the Company's senior human resources officer, who shall be the

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named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 45 days after receiving the claimant's request for review. This 45-day period may be extended an additional 45 days if special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 45-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim,
- indicate whether any rule, guideline, protocol or criterion was relied on in the decision and, if so, that a copy of such rule, guideline, protocol or criterion will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

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QuickLinks

[Exhibit 10.2](#)

[BOISE CASCADE CORPORATION 1986 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION

1983 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

(As Amended Through September 26, 2003)

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 be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition

of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.1(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.1(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company

securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.2 *Committee.* The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.3 *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.

2.4 *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, 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 (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

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

2.7 *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 72 or, after the 4-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.

2.8 *Minimum Death Benefit.* The Minimum Death Benefit shall be a multiple of the total amount of Compensation to be deferred over the 4-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.

2.9 *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.

2.10 *Normal Benefit Commencement Date.* The first day of the month on or after a Participant's 72nd birthday.

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

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 Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

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

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the Company, whereby the Director elects to defer a portion of his or her 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 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 Committee. A request to alter the amount of Compensation deferred shall be submitted by a Participant in writing to the Committee 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 Committee, 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 or her deferred Compensation 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 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. 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 or her account shall be paid out in quarterly installments over 15 years. A Participant may request a change in the payout election any time prior to January 1 of the year benefits are first scheduled to be paid, provided that the request is received by the Committee at least 30 days prior to the first 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 Committee. 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 or her benefits have commenced and prior to the distribution of his or her entire account, his or her 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 Committee. The lump-sum payment shall be made within 30 days of the date on which the Committee 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. If a Participant dies before receiving all benefit payments, all subsequent payments under the Plan shall be made 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 is in effect at the time when any benefits payable under this Plan 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 under this Plan all applicable federal or state taxes required by law to be withheld.

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 Committee or the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

6.5 *Unsecured General Creditor.* Except as provided in Section 8, 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. The 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 an unfunded and unsecured promise of the Company to pay money in the future.

7. *Amendment and Termination.* The Company, acting through the Board of Directors or any committee of the Board of Directors, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

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8. *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

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QuickLinks

[Exhibit 10.3](#)

[BOISE CASCADE CORPORATION 1983 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION

1982 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

(As Amended Through September 26, 2003)

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 be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition

of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.1(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.1(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company

securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.2 *Committee.* The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.3 *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.

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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, 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 (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.6 *Disability.* A condition that totally and continuously prevents the Participant, for at least 6 consecutive months, from engaging in an "occupation" for remuneration or profit. During the first 24 months of 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 Committee determines, in its sole discretion, that a Disability exists.

2.7 *Early Retirement Date.* The date of a Participant's Termination of Employment for reasons other than death, total disability (as defined in the Pension Plan), or disciplinary reasons (as that term is used for purposes of the Company's Corporate Policy 10.2, Termination of Employment) before attaining age 65 but after attaining age 55, and after completing 10 years of service (as defined in the Pension Plan). 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 offered by the Company and applicable to the Participant.

2.8 *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.

2.9 *Normal Retirement Date.* The first day of the month on or after a Participant's 65th birthday.

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

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

2.12 *Service.* Service as earned and credited under the 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, 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 Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities,

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unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

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 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 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 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 Committee. A request to alter the amount of Compensation deferred shall be submitted by a Participant in writing to the Committee 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 Committee, 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 Committee, 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 Committee, 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

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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 Committee may, in its discretion, approve 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 Committee, a Participant may elect to defer commencement of payment of the Early Benefit. This election shall be in writing and submitted to the Committee 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 Committee may, in its discretion, approve 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 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 Committee 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 Committee. The lump-sum payment shall be made within 30 days of the date on which the request for distribution is received. 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 Pension 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 Pension Plan and 120% of the applicable PBGC

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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 or she 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 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 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:

<u>Years of Participation</u>	<u>Percentage</u>
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.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

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.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

6.3 *Taxes.* The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

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 Committee or the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 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 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 Company, acting through its Board of Directors or any committee of the Board, may, at its sole discretion, amend or terminate the Plan at any time, provided

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that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

9. *Claims Procedure.*

9.1 *In General.* Claims for benefits under the Plan, other than claims for Disability benefits under Section 5.4, shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days for special circumstances by the Compensation Manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

9.2 *Disability Claims.* Claims for Disability benefits under Section 5.4 of the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 45 days after the application is filed. This 45-day period may be extended for up to two additional 30-day periods by the Compensation Manager, in his or her sole discretion, in each case for reasons beyond the Plan's control and by providing written notice of the extension to the claimant prior to the expiration of the current period. If additional information is needed from the Participant in order to make a decision on the claim, the Manager will notify the Participant of the information needed and the Participant will have 45 days to provide the requested information. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits,
- if an internal rule or guideline was relied upon, state that an internal rule or guideline was relied upon and that a copy of the rule or guideline will be provided at no charge upon request,

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- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
 - state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

10. *Claims Review Procedure.*

10.1 *In General.* Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit claim, other than a claim for Disability benefits under Section 5.4 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 9.1, and shall be filed with the Company's Compensation Manager. The Manager shall promptly inform the

Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

10.2 *Disability Claims.* Any Participant, former Participant, or Beneficiary of either, who has been denied a claim for Disability benefits under Section 5.4 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or her claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed with the Company's Compensation Manager no later than 180 days after receipt of the written notification provided for in Section 9.2. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 45 days after receiving the claimant's request for review. This 45-day period may be extended an additional 45 days if special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 45-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim,

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- indicate whether any rule, guideline, protocol or criterion was relied on in the decision and, if so, that a copy of such rule, guideline, protocol or criterion will be provided at no charge upon request,
 - if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
 - state the claimant's right to bring an action under section 502(a) of ERISA.

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QuickLinks

[Exhibit 10.4](#)

[BOISE CASCADE CORPORATION 1982 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION

SUPPLEMENTAL EARLY RETIREMENT PLAN FOR EXECUTIVE OFFICERS

(As Amended Through September 26, 2003)

ARTICLE I—PURPOSE OF THE PLAN

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

ARTICLE II—DEFINITIONS

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

2.2 "Change in Control." 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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.2(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in

connection with a transaction described in Section 2.2(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.2(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.2(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report

its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

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 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 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 or any subsidiary, partnership, or joint venture of the Company. The determination of whether a business is a Competitor shall be made by the Company's General Counsel, in his or her sole discretion.

2.6 *Construction.* Except to the extent preempted by federal law, this Plan shall be construed according to the laws of the state of Idaho. The words "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan, not to any particular provision or section.

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2.7 *"Deferred Compensation and Benefits Trust."* The irrevocable trust (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

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 Plan.

2.9 *"Early Retirement Date."* The date of an Executive Officer's Termination of Employment on or after his or her 55th birthday but before his or her Normal Retirement Date.

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

2.11 *"Executive Officer."* An Employee who has been duly elected by the Board of Directors to serve as an executive officer of the Company in accordance with the Company's Bylaws but shall not include assistant treasurers or assistant secretaries.

2.12 *"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 10 or more years of service and has reached the age of at least 55 years.

2.13 *"Normal Retirement Date."* The first day of the month on or after an Executive Officer's 65th birthday.

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 Plan.

ARTICLE III—ELIGIBILITY FOR EARLY RETIREMENT BENEFITS

3.1 *Eligibility.* An Executive Officer (i) with 10 or more years of service with the Company, as defined in the Salaried Plan; (ii) who has served as an Executive Officer of the Company for at least 5 full years measured from the date of his or her election to such office; and (iii) whose employment with the Company is terminated through Involuntary Retirement, or who elects early retirement on or after his or her 55th birthday but before his or her Normal Retirement Date, shall receive the Early Retirement Benefits as set forth in Article IV hereof; provided, however, if an Executive Officer's employment is terminated for "disciplinary reasons," as that term is used in the Company's Corporate Policy 10.2, Termination of Employment, such Executive Officer shall not be eligible to receive any benefits under this Plan.

3.2 *Notice.* If an Executive Officer is required to take Involuntary Retirement under this Plan, he or she 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 Plan on or after his or her 55th birthday but before his or her Normal Retirement Date shall notify the Company of his or her decision, in writing, at least 30 days in advance of the Early Retirement Date.

ARTICLE IV—EARLY RETIREMENT BENEFITS

4.1 *Early Retirement Benefits.* An Executive Officer who is eligible to and elects to retire on or after his or her 55th birthday but before his or her Normal Retirement Date, 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.

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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 on or before his or her Early Retirement Date to receive, as an alternative to the amounts described above, Early Retirement Benefits commencing upon the Early Retirement Date 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 or her 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 or her 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 early.

If the calculations made pursuant to this section produce no Early Retirement Benefits for an Executive Officer, then this 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 and as provided hereunder, shall, except as provided in Section 4.6, 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 or her 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 Plan. The Company may, in its discretion, consent to an Executive Officer's rendering services to a Competitor, and if it does 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 Plan.

4.5 *Supplemental Survivor's Retirement Benefit.* If an Executive Officer terminates employment at any age by reason of death, his or her 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 payable under this section 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 Plan and the Salaried Plan if the Executive Officer, without regard to the requirements of Section 3.1 of this Plan, had elected early retirement on the date of his

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or her death and had elected to receive benefits in the form of a 100% Joint and Survivor Annuity with the spouse as joint annuitant, provided that if the Executive Officer dies prior to reaching age 55, the otherwise unreduced benefit payable under this Plan shall be actuarially reduced to reflect the Executive Officer's age at death. 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.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

ARTICLE V—DUTIES

5.1 *Committee's Powers.* Except as otherwise provided in the 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 Plan to Be Furnished.* The Committee shall furnish a copy of this Plan to all Executive Officers of the Company who are or become entitled to be covered under this 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 Plan.

5.4 *Appeal Procedure.* If any Executive Officer feels aggrieved by any decision of the Committee concerning his or her 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 or her benefits hereunder, the Executive Officer can request the Executive Compensation Committee of the Board of Directors to review his or her case. The request for hearing must be made in writing within 60 days from the date of the Committee's decision. The Executive Compensation Committee of the Board of Directors shall review said decision within 4 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 or her 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

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decision with respect to his or her rights, the Executive Officer can request the Executive Compensation Committee of the Board of Directors to review his or her case. The Executive Officer's request must be made within 60 days of the mailing of the Company's written decision, and the Executive Compensation 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.

ARTICLE VI—AMENDMENT AND TERMINATION

6.1 *Amendment.* To provide for contingencies which may require the clarification, modification, or amendment of this Plan, the Company reserves the right to amend this 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 Plan, to retire early. Further, prior to any amendment of the 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 or her 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 Plan indefinitely. Nonetheless, the Company reserves the right, at any time, to terminate the Plan; provided, however, no termination shall affect any benefits previously granted hereunder to an Executive Officer who elected or was required, pursuant to this 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 or her option to elect, prior to the termination, to take early retirement under this Plan prior to the effective date of the termination.

ARTICLE VII—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, nor shall any Executive Officer have any right to transfer, assign, encumber, or otherwise alienate any of the benefits or proceeds which he or she may expect to receive, contingently or otherwise, under this 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.

QuickLinks

[Exhibit 10.6](#)

[BOISE CASCADE CORPORATION SUPPLEMENTAL EARLY RETIREMENT PLAN FOR EXECUTIVE OFFICERS \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION

SUPPLEMENTAL PENSION PLAN

(As Amended Through September 26, 2003)

ARTICLE I

1. *Purpose of the Plan.* It is the policy of Boise Cascade Corporation to provide retirement benefits to eligible employees in accordance with the terms and conditions of the Company's retirement plans. Under certain circumstances the effect of federal and state tax laws may preclude payment of full benefits to which an employee is otherwise entitled out of the assets of the Company's retirement plans qualified under Section 401 of the Internal Revenue Code of 1986 (the "Code"). In addition, the election of certain employees to voluntarily defer receipt of otherwise taxable and pensionable compensation may have the effect of reducing the amount of retirement benefits which such employees would otherwise be entitled to receive out of the Company's tax-qualified retirement plans. In order to ensure that employees of the Company receive the full retirement benefits earned during the course of their employment with the Company, the Company will provide benefits as described in this Plan.

ARTICLE II

2. *Definitions.*

2.1 "Act" means the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended from time to time.

2.2 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.3 "Company" means Boise Cascade Corporation and any of its subsidiaries or affiliated business entities participating in the Pension Plan.

2.4 "Compensation" means a Participant's compensation as defined in the Pension Plan, but without regard to any limitations required by Section 401(a)(17) of the Code, and including amounts voluntarily deferred at the Participant's election under any of the nonqualified deferred compensation plans of the Company.

2.5 "Effective Date" means January 1, 1994.

2.6 "Maximum Benefit" means the monthly equivalent of the maximum benefit permitted by the Code to be paid to a participant in the Company's Pension Plan, taking into account all limitations required by the Code in order for the Pension Plan to retain its qualified status under Section 401 of the Code.

2.7 "Participant" means any employee of the Company who is an active Participant in the Pension Plan on or after the Effective Date and whose pension benefits determined on the basis of the provisions of the Pension Plan, without regard to the limitations of the Code, would exceed the Maximum Benefits permitted under the Code.

2.8 "Pension Plan" means the Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

2.9 "Plan" means the Boise Cascade Corporation Supplemental Pension Plan, as amended from time to time, which shall be an unfunded plan providing benefits for a select group of senior management or highly compensated employees of the Company.

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2.10 "Plan Administrator" means the individual designated by the Company as the Plan Administrator for purposes of compliance with the requirements of the Act.

2.11 "Unrestricted Benefit" means the maximum monthly normal, early, or deferred vested (or disability) retirement benefit, whichever is applicable, which a Participant has earned, calculated in accordance with the benefit formula under the Pension Plan and determined without regard to any limitations imposed by the Code, including but not limited to limitations under Code Sections 401(a)(17) and 415. The amount of the Unrestricted Benefit shall be based on a Participant's Compensation as defined in this Plan.

2.12 All capitalized terms used herein not otherwise defined shall have the meaning ascribed to such terms under the Pension Plan.

ARTICLE III

3. *Benefits.*

3.1 *Normal Retirement Benefit.* Upon the Normal Retirement of a Participant, as defined in the Pension Plan, a Participant shall be entitled to a monthly benefit under this Plan equal in amount to his or her Unrestricted Benefit minus the Maximum Benefit.

3.2 *Early Retirement Benefit.* Upon the early retirement of a Participant as provided under the Pension Plan, such Participant shall be entitled to a monthly benefit under this Plan equal to his or her Unrestricted Benefit minus the Maximum Benefit.

3.3 *Deferred Vested Retirement Benefit.* If a Participant terminates employment with the Company and is entitled to a deferred vested retirement benefit provided under the Pension Plan, such Participant shall be entitled to a monthly benefit under this Plan equal to his or her Unrestricted Benefit minus the Maximum Benefit.

3.4 *Spousal Pension Benefit.* Subject to Section 3.5 below, on the death of a Participant whose spouse is eligible for a pre- or post-retirement surviving spouse benefit under the Pension Plan, the Participant's surviving spouse shall be entitled to a monthly benefit equal to the surviving spouse benefit determined in accordance with the provisions of the Pension Plan without regard to the limitations under the Code, minus the Maximum Benefit.

3.5 *Forms of Benefit Payment.*

(a) If on the date of a Participant's termination of employment with the Company his or her accrued vested benefit under this Plan is less than \$5,000 in present value (calculated in accordance with present value determinations under the Pension Plan), such benefit shall be distributed in a lump sum on or about February 1 of the calendar year following the year in which termination of employment occurred.

(b) If on the date of a Participant's termination of employment with the Company his or her accrued vested benefit under this Plan is equal to or greater than \$5,000 in present value (calculated in accordance with present value determinations under the Pension Plan), such benefit shall be distributed in a lump sum on or about February 1 of the calendar year following the year in which termination of employment occurred, unless the Participant elects a form of benefit payment described in Subsection (i) or (ii) below:

(i) A Participant described in paragraph (b) above may elect to have benefits payable under Sections 3.1, 3.2, 3.3, or 3.4 of this Article III paid in such form and at such time as benefits are paid to the Participant (or beneficiary, if applicable) under the Pension Plan; or

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(ii) A Participant described in paragraph (b) above may elect to have his or her benefit paid in monthly installments over a period not to exceed 15 years, commencing no later than the first of the month following the Participant's 65th birthday. A Participant electing this form of distribution shall be eligible to have, upon written request to the Company at any time after payment of benefits has commenced, the present value of his or her unpaid benefit distributed in a lump sum. Any such lump sum distribution, less a 10% penalty, shall be paid as soon as administratively feasible after the Company's receipt of such request.

3.6 *Taxes.* The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

ARTICLE IV

4. *Plan Administration.*

4.1 *Administrator.* The Plan shall be administered by the Company, acting through its Retirement Committee, which shall have complete and unrestricted authority to interpret the Plan and issue such administrative rules and procedures as it deems appropriate, in its sole discretion. The Plan Administrator shall have the duty and responsibility of maintaining records, making the requisite calculations, and disbursing the payments hereunder. The Plan Administrator's interpretations, determinations, procedures, and calculations shall be final and binding on all persons and parties concerned.

4.2 *Amendment and Termination.* The Company may amend or terminate the Plan at any time, acting through the Executive Compensation Committee of the Company's Board of Directors, provided, however, that no such amendment or termination shall adversely affect a benefit to which a Participant or his or her beneficiary is entitled under Article III prior to the effective date of such amendment or termination unless such Participant or beneficiary becomes entitled to an amount equal to such benefit under another plan or policy adopted by the Company.

4.3 *Payments.* The Company will pay all benefits arising under this Plan and all costs, charges, and expenses relating hereto.

4.4 *Nonassignability of Benefits.* The benefits payable hereunder or the right to receive future benefits under the Plan may not be anticipated, alienated, pledged, encumbered, or subjected to any charge or legal process, and if any attempt is made to do so, or a person eligible for any benefit becomes bankrupt, the interest under the Plan of the person affected may be terminated by the administrator which, in its sole discretion, may cause the same to be held or applied for the benefit of one or more of the dependents of such person or make any other disposition of such benefits that it deems appropriate, in its sole discretion.

4.5 *Status of Plan.* The benefits under this Plan shall not be funded but shall constitute liabilities by the Company payable when due.

4.6 *Employment Not Guaranteed.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

4.7 *Applicable Law.* All questions pertaining to the construction, validity, and effect of this Plan shall be determined in accordance with the laws of the United States and, to the extent not preempted by such laws, by the laws of the state of Idaho.

4.8 *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company (as defined in the Company's Deferred Compensation and Benefits Trust (the "DCB

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Trust")), or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In

addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

4.9 *Appeals Procedure.* Claims for benefits under this Plan shall be subject to determination and review by the Company. If any Participant disagrees with the Company's determination of benefits hereunder, the Participant shall have the right to appeal the Company's determination in accordance with procedures adopted by the Company applicable to appeals under the Pension Plan.

QuickLinks

[Exhibit 10.7](#)

[BOISE CASCADE CORPORATION SUPPLEMENTAL PENSION PLAN \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION

1987 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

(As Amended Through September 26, 2003)

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 be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition

of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.1(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.1(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company

securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.2 *Committee.* The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.3 *Compensation.* A Participant's fees for services rendered by a Participant as a Director 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.

2.4 *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, 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 (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

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

2.7 *Early Benefit Commencement Date.* The date of a Participant's Termination as a Director for reasons other than death, prior to attainment of age 72.

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, 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 2.8 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 on or after a Participant's 72nd birthday.

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

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.* The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

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

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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 4-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 and, 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 any time prior to January 1 of the year benefits are scheduled to be paid, provided that the request is received by the Committee 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 Committee. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

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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 Committee. The lump-sum payment shall be made within 30 days of the date on which the Committee 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. If a Participant dies before receiving all benefit payments, all subsequent payments under the Plan shall be made 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 2 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 under this Plan all applicable federal or state taxes required by law to be withheld.

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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 Committee or the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

7. *Amendment and Termination.* The Company, acting through the Board of Directors or any committee of the Board of Directors, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

8. *Unsecured General Creditor.* Except as provided in Section 9, 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. The 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 an unfunded and unsecured promise of the Company to pay money in the future.

9. *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

QuickLinks

[Exhibit 10.8](#)

[BOISE CASCADE CORPORATION 1987 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION
1984 KEY EXECUTIVE STOCK OPTION PLAN

(As Amended Through September 26, 2003)

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 1986, as amended from time to time.

(c) "Committee" means the Executive Compensation Committee of the Board or any successor to the Committee.

(d) "Company" means Boise Cascade Corporation, a Delaware corporation.

(e) "Competitor" means 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 or any subsidiary, partnership, or joint venture of the Company. The determination of whether a business is a Competitor shall be made by the Company's General Counsel, in his or her sole discretion.

(f) "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.

(g) "Employee" means a key employee (including an officer of the Company), who is employed by the Company or any subsidiary, partnership, or joint venture of 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.

(h) "Employment with any Competitor" means providing significant services as an employee or consultant, or otherwise rendering services of a significant nature for remuneration, to a Competitor.

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(i) "Executive Officer" means an Employee who has been duly elected by the Company's Board to serve as an executive officer of the Company in accordance with the Company's Bylaws but shall not include assistant treasurers or assistant secretaries.

(j) "Fair Market Value" means:

(i) the closing price of the Stock as reported by the consolidated tape of the New York Stock Exchange on a particular date; or

(ii) 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

(iii) 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

(iv) 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.

(k) "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.

(l) "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."

(m) "Optionee" means an Employee who has been granted an Option under this Plan.

(n) "Pension Plan" means the Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

(o) "Retirement" means an Employee's termination of employment with the Company (or any subsidiary, partnership, or joint venture of the Company) for reasons other than death, total disability (as defined in the Pension Plan), or disciplinary reasons (as that term is used for purposes of the Company's Corporate Policy 10.2, Termination of Employment) at any time after the Employee has attained age 55 with 10 or more years of service (as defined in the Pension Plan).

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

(q) "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.

(r) "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.

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.

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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 15,300,000. 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 20th 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. In no event, however, 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% 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 10th 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 (including an irrevocable commitment in writing to deliver cash resulting from the sale of Stock subject to an Option);
- (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 or she 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 shares of Stock with respect to which the Option is to be exercised. Full payment for the Option 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 of exercise and payment of the exercise price, 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 of exercise, 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 Not Guaranteed by Plan.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

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.

Notwithstanding the foregoing, Options granted to or held by any Executive Officer may be transferred as a gift (but not sold for value) by such Executive Officer to any immediate family

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member of such Executive Officer, to a trust established for the benefit of any immediate family members, to a partnership in which only immediate family members are partners, or to other similar entities established for the benefit of immediate family members. Options so transferred shall continue to be subject to all terms and conditions described in the applicable Stock Option agreement, and any such transfer by gift shall be subject to all applicable rules and regulations of the Internal Revenue Service and Securities and Exchange Commission.

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. An Optionee, however, 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 have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Employee may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. The Committee shall have final discretion, responsibility, and authority 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. 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 shall be final and binding on the Employees.

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.

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- (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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 13(c)(i) shall not be deemed to be a change in control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added

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to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 13(c)(i) shall not be deemed to be a change in control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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, provided that a transaction described in Subsection 13(c) which is not a "change in control" of the Company solely due to the operation of Subsection 13(c)(i)(a) will nevertheless constitute a "change in control" of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved), all Options shall be exercisable in full, whether or not then exercisable under the terms of their grant.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

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. 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.

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15. *Shareholder Approval and Registration Statement.* 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 covering the Stock subject to such Options 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.

QuickLinks

[Exhibit 10.9](#)

[BOISE CASCADE CORPORATION 1984 KEY EXECUTIVE STOCK OPTION PLAN \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION
1980 SPLIT-DOLLAR LIFE INSURANCE PLAN

(As Amended Through September 26, 2003)

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 Boise Cascade Corporation ("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 Subsection 2.4(b).

2.2 *Assignment.* An agreement whereby the Participant, or his or her 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.

2.3 *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.

2.4 *Change in Control.* 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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the

Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.4(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired

directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.4(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.4(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.4(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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For purposes of this section and Section 2.17, "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 and Section 2.17, "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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.5 *Committee.* The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.6 *Corporate Capital Interest.*

(a) During the first 7 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 Subsection 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 8th 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.

2.7 *Deferred Compensation and Benefits Trust.* The irrevocable trust (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.8 *Effective Date.* February 26, 1980.

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

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

2.11 *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.

2.12 *IRC.* Internal Revenue Code of 1986, as amended.

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2.13 *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.

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

2.15 *Plan.* This Boise Cascade Corporation Split-Dollar Life Insurance Plan.

2.16 *Plan Administrator*. The Company's Salaried and Executive Compensation Manager, P.O. Box 50, Boise, Idaho 83728-0001, 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.

2.17 *Potential Change in Control*. A Potential Change in Control shall be deemed to have occurred if (a) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (b) 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; (c) 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, provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 9.5% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; or (d) the Board adopts a resolution to the effect that a Potential Change in Control has occurred.

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

2.19 *Retirement*. The termination of employment of a Participant, for reasons other than death or total disability (as defined in the Pension Plan), at any time after the Participant has attained age 55 with 10 or more years of service (as defined in the Pension Plan).

2.20 *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 Section 2.6.

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

3. *Administration and Interpretation of the Plan*.

3.1 *Plan Administrator*. The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Claims for benefits under the Plan and

appeals of claim denials shall be in accordance with Section 9. Any interpretation by the Committee shall be final and binding on the Participants.

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 or she 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 Section 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 Section 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 a multiple of \$10,000, where necessary.

5.2 *Timing of Purchase of Insurance*. The right of a Participant (or his or her 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 Section 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 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.

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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 7 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 7 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 Subsection 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 4 Annual Premiums during the first 7 policy years, and in no event shall it borrow an amount greater than the sum of 3 years' payments described in Subsection 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 8th policy year, shall repay the Insurance Policy loan previously made pursuant to Subsection 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; and (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

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loans, as otherwise provided for in Subsection 6.2(b)(2), within a 1-year period after a Potential Change in Control, or at any time after a Change in Control, except upon the date specified in Section 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 Subsection 6.3(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) If 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.

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8. *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

8.1 *Trustee's Rights and Obligation.* In the event of a Change in Control, the trustee for the DCB Trust shall at all times thereafter be obligated for amounts payable in accordance with the Trustee's Payment Schedule, to the extent the DCB Trust is funded pursuant to Section 8. The Company shall notify the Insurance Carrier of a Change in Control.

8.2 *Plan Funding.* In the event of a Change in Control, 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 shall be required to continue the funding of the Insurance Policy until the later of (a) the applicable date specified in Subsections 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 Section 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 Plan.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

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 construed 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 Committee or the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be

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effective upon receipt by the Company's Salaried and Executive Compensation Manager at 1111 West Jefferson Street, 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 Subsection 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.

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 Participants, ERISA imposes 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.

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QuickLinks

[Exhibit 10.10](#)

[BOISE CASCADE CORPORATION 1980 SPLIT-DOLLAR LIFE INSURANCE PLAN \(As Amended Through September 26, 2003\)](#)

[As amended through September 26, 2003]

CONFIDENTIAL

(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 a change in control of the Company is threatened or occurs. In this regard, the Board of Directors of the Company (the "Board") recognizes that the possibility of a change in control may exist and that the uncertainty and questions which this possibility may raise among management could 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 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, the Company agrees that you shall receive the severance benefits set forth in this letter agreement if your employment with the Company is terminated before or after a "change in control of the Company" (as defined in Section 2) under the circumstances described below.

1. *Term of Agreement.* This Agreement amends, supersedes, and restates in its entirety the Agreement between you and the Company dated []. This amendment is effective on the date hereof and shall continue in effect through []; provided that on January 1, [] and on each January 1 thereafter, the term of this Agreement shall automatically be extended so as to terminate on the 3rd 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. However, if a change in control of the Company occurs during the term of this Agreement, this Agreement shall continue in effect for a period of not less than 24 months after the month in which the change in control of the Company occurred.

2. *Change in Control.*

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

(1) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.A(3)(i) of this Agreement shall not be deemed to be a change in control of the Company; or

(2) The following individuals cease for any reason to constitute at least a majority 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 ²/₃rds 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.A(3)(i) of this Agreement shall not be deemed to be a change in control of the Company; or

(4) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.A(3) which is not a change in control of the Company solely due to the operation of Subsection 2.A(3)(i) (a) will nevertheless constitute a change in control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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, provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 9.5% of the Company's then outstanding shares of common stock 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 6 months from the occurrence of the first 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 "Person" 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, (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, or (5) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person for purposes of this Agreement as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

3. *Termination and Change in Control.* Except as set forth in Sections 6, 7, and 10.A, no benefits shall be payable under this Agreement unless there is a change in control of the Company, your employment is terminated, and your termination is a Qualifying Termination or a Qualifying Early Termination. Your termination is a Qualifying Termination if a change in control of the Company occurs and your employment subsequently terminates during the term of this Agreement, unless your termination is because of your death, by the Company for Cause or Disability, or by you other than for Good Reason. Your termination is a Qualifying Early Termination if a potential change in control of the Company occurs, your employment terminates during the pendency of the potential change in control of the company and during the term of this Agreement, the termination is in contemplation of a change in control of the Company, and an actual change in control of the Company occurs within one year following your termination, unless your termination is because of your death, by the Company for Cause or Disability, or by you other than for Good Reason. A transfer of your employment from

the Company to one of its subsidiaries, from a subsidiary to the Company, or between subsidiaries is not a termination of employment for purposes of this Agreement.

A. *Disability.* If, as a result of your incapacity due to physical or mental illness or injury, you are absent from your duties with the Company on a full-time basis for 6 consecutive months, and within 30 days after written notice of termination is given you have not 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" means termination upon (1) your willful and continued failure to substantially perform your duties with the Company (other than failure resulting from your incapacity due to physical or mental illness or injury, or 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) your willful engagement in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise. For purposes of this Section 3.B, 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 act 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:

- a resolution is 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 this Section 3.B and specifying the particulars of your conduct in detail, and
- a copy of this resolution is delivered to you.

All decisions by the Company regarding termination for Cause must be supported by clear and convincing evidence.

C. *Good Reason.* "Good Reason" means any of the following, if occurring without your express written consent after a change in control of the Company:

- (1) The assignment to you of any duties inconsistent with your responsibilities as an Executive Officer of the Company or a significant adverse alteration in your responsibilities from those in effect immediately prior to the change in control of the Company;
- (2) The disposition 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 the acquirer of the business assumes and agrees to fully perform this Agreement and the Company agrees to guarantee the obligations of the acquirer under this Agreement;
- (3) A reduction by the Company in your annual base salary as in effect on the date of this Agreement (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) A reduction by the Company in your target annual cash incentive as in effect immediately prior to the change in control of the Company;
- (5) The Company's requiring you to be based anywhere other than in the metropolitan area in which you were based immediately prior to the change in control of the Company, except for required travel on the Company's business to an extent substantially consistent with your business travel obligations as existed immediately prior to the change in control;

(6) The failure by the Company to continue to provide you with benefits and compensation, including paid time off, welfare benefits, short- and long-term incentives, pension, life insurance, healthcare, and disability plans, no less favorable in the aggregate than the benefits and compensation available to you immediately prior to 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 10; or

(8) Any purported termination of your employment by the Company which is not effected pursuant to a Board resolution satisfying the requirements of Section 3.B or a Notice of Termination satisfying the requirements of Section 3.D, as applicable. Furthermore, no such purported termination of your employment shall be effective for purposes of this Agreement.

For purposes of determining whether a Qualifying Early Termination has occurred, references to a change in control of the Company in this Section 3.C shall be deemed to refer to any potential change in control of the Company pending at the time of the event or circumstance alleged to be Good Reason.

Your right to terminate your employment pursuant to this Section 3.C shall not be affected by your incapacity due to physical or mental illness or injury. 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.

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 according to Section 11. A "Notice of Termination" must indicate the specific termination provision in this Agreement relied upon and set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision.

E. *Date of Termination.* "Date of Termination" means:

(1) if your employment is terminated for Disability, 30 days after the Notice of Termination is given (provided that you have not returned to the performance of your duties on a full-time basis during that 30-day period);

(2) if your employment is terminated for Cause, for Good Reason, or for any other reason other than Disability or a Qualifying Early Termination, the date specified in the Notice of Termination (which, in the case of a termination for Cause shall not be less than 30 days from the date the Notice of Termination is given, and in the case of a termination for Good Reason shall not be more than 60 days from the date the Notice of Termination is given);

(3) if your termination is a Qualifying Early Termination, the later of the date determined according to subsection (1) or (2) above, or the date upon which the actual change in control of the Company occurs; or

(4) if a dispute exists regarding the termination, 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 having expired and no appeal having been perfected), or, if earlier, the last day of the term of this Agreement. This subsection (4) shall apply only if (i) the party receiving the Notice of Termination notifies the other party within 30 days that a dispute exists, (ii) the notice of dispute is made in good faith, and (iii) the party giving the notice of dispute pursues resolution of the dispute with reasonable diligence. While any dispute is pending under this subsection (4), the Company will continue to pay you your full compensation in effect when the Notice of Termination 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 and programs in which you were participating when the Notice of Termination giving rise to the dispute was given, until the

dispute is finally resolved, or if earlier, the last day of the term of this Agreement. Amounts paid under this subsection (4) 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 During Disability or Upon Termination for Cause or Other than for Good Reason.*

A. During any period that you fail to perform your duties as a result of incapacity due to physical or mental illness or injury, you shall continue to receive your full base salary at the rate then in effect and all compensation paid during the period until your employment is terminated for Disability pursuant to Section 3.A. 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 is 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 those payments are due, and the Company shall have no further obligations to you under this Agreement.

5. *Compensation upon a Qualifying Termination or Qualifying Early Termination.* If your employment is terminated pursuant to a Qualifying Termination or Qualifying Early Termination, then you shall be entitled to the benefits provided in this Section 5.

A. Not later than the 5th day following the date the release required pursuant to Section 8.D becomes effective, the Company will pay you the following amounts:

(1) Your full base salary through the Date of Termination (or, in the case of a Qualifying Early Termination, through your last day of employment) at the rate in effect at the time Notice of Termination is given without regard to any reduction in base salary that would constitute Good Reason (whether or not any reduction is asserted as Good Reason), plus all other amounts to which you are entitled under any compensation plan of the Company at the time those payments are due (in each case, to the extent not already paid);

(2) A lump sum severance payment equal to 3 times the sum of (a) your annual base salary at the rate in effect at the time Notice of Termination is given without regard to any reduction in base salary that would constitute Good Reason (whether or not any reduction is asserted as Good Reason) ("Base Salary"), plus (b) your target annual incentive under the Boise Incentive and Performance Plan (or any substitute plan) for the year in which occurs either the Date of Termination (or, in the case of a Qualifying Early Termination, your last day of employment) or change in control of the Company, whichever is greater, without regard to any reduction in the target incentive that would constitute Good Reason (whether or not any reduction is asserted as Good Reason) ("Target Bonus"); and

(3) To the extent not already paid, a lump sum amount equal to the greater of the value of your unused and accrued time off, less any advanced time off, in accordance with the Company's Your Time Off Policy (or any successor policy) as in effect immediately prior to the change in control of the Company or as in effect on the Date of Termination (or, in the case of a Qualifying Early Termination, as in effect on your last day of employment), whichever is more favorable to you.

B. The Company shall, at its sole discretion, comply with either subsection (1) or (2) below:

(1) for a 12-month [36-month for SVPs and above] period following the Date of Termination, maintain, in full force and effect for your continued benefit, all life (other than the Company's Supplemental Life Plan), disability, accident and healthcare insurance plans, programs, or arrangements, and financial counseling services in which you were participating immediately prior to the change in control of the Company (or in the case of a Qualifying Early Termination, immediately prior to your last day of employment), or, if more favorable to

you, the plans, programs, or arrangements in which you were participating immediately prior to the Date of Termination, or

(2) not later than the 5th day following the date the release required pursuant to Section 8.D becomes effective, pay you a lump sum payment equal to twelve [thirty-six] times 150% of the sum of (a) the monthly group premium for the life (other than supplemental life), disability, accident and healthcare insurance plans, programs, or arrangements, and (b) the monthly allowance for financial counseling services, in each case in which you were participating immediately prior to the change in control of the Company (or in the case of a Qualifying Early Termination, immediately prior to your last day of employment), or, if more favorable to you, the plans, programs, or arrangements in which you were participating immediately prior to the Date of Termination.

If the Company chooses to provide the benefits indicated under subsection (1), and your continued participation (or a particular type of coverage) is not possible or becomes impossible under the general terms and provisions of the plans, programs or arrangements, then the Company shall arrange to provide you with benefits, at substantially the same cost to you as determined immediately prior to your last day of employment, which are substantially similar to those which you are entitled to receive under such plans, programs and arrangements.

Notwithstanding the foregoing, the Company shall continue to pay the Company-paid premium under the Company's Supplemental Life Plan (or a successor plan) for thirty-six months following the Date of Termination.

For a Qualifying Early Termination, any portion of the period commencing on the day after your last day of employment through and including the Date of Termination during which the Company provides you with benefit continuation or pays the Company-paid premium under the Company's Supplemental Life Plan (or a successor plan) will apply toward the payment period required above.

C. In addition to the aggregate retirement benefits to which you may be entitled under the Company's qualified pension plan, the Company's Supplemental Pension Plan, any other nonqualified pension agreement or arrangement (excluding the Company's Supplemental Early Retirement Plan), or any successor plans, the Company shall pay you amounts equal to (1), (2), (3), or (4), whichever is applicable:

(1) If you have satisfied the service, but not the age, requirements of the Company's Supplemental Early Retirement Plan (the "SERP"), as in effect immediately prior to the change in control of the Company, you shall receive a monthly benefit, commencing on your 55th birthday equal to

the benefit to which you would have been entitled under the SERP, 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

(2) If you have satisfied the age, but not the service, requirement of the SERP, 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 SERP, 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

(3) If you have satisfied neither the age nor the service requirements of the SERP, as in effect immediately prior to the change in control of the Company, you shall receive a monthly benefit, commencing on your 55th birthday equal to the benefit to which you would have been entitled under the SERP, 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

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

Solely for purposes of calculating the amount of the benefit to which you would have been or are entitled under the SERP pursuant to subsections (1) through (4) above, you shall be deemed to have (i) accrued an additional two [~~three—for SVPs and above~~] years of service credit under the Boise Cascade Corporation Pension Plan for Salaried Employees (the "Pension Plan") following the actual date of your termination of employment and (ii) earned compensation for each additional year of service (without giving effect to limitations in the Pension Plan on the amount of compensation which may be taken into account in calculating the benefit under that plan) equal to the sum of the Base Salary and the Target Bonus. The benefits under this Section 5.C 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 SERP as in effect immediately prior to the change in control of the Company.

For purposes of this Section 5.C, with respect to a Qualifying Early Termination, references to the terms of the SERP as in effect immediately prior to a change in control of the Company shall mean the terms of the SERP as in effect immediately prior to your last day of employment.

D. You shall not be required to mitigate the amount of any payment provided for in this Section 5 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in Sections 5.A and/or 5.C 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 5.B(1) shall be reduced to the extent comparable benefits are actually received by you during the 12-month [~~36-month~~] period following your termination, and you must report any such benefits actually received by you to the Company.

6. *Legal Fees.* The Company shall pay to you all reasonable legal fees and expenses which you incur (a) as a result of your termination (including any legal fees and expenses incurred in contesting or disputing your termination), (b) in seeking in good faith to obtain or enforce any right or benefit provided by this Agreement, or (c) in connection with any tax audit or proceeding to the extent applicable to the application of Section 4999 of the Internal Revenue Code of 1986 as amended, to any payment or benefit provided under this Agreement. This payment shall be made within 10 business days after the Company receives your written request for payment accompanied by reasonable evidence of fees and expenses incurred.

7. *Protective Limitation.*

A. Notwithstanding any provision of this Agreement to the contrary, if you would receive payments under this Agreement or under any other plan, program, or policy sponsored by the Company which relate to a change in control of the Company (the "Total Payments") and which are determined by the Company to be subject to excise tax under Section 4999 of the Code (the "Excise Tax"); then the Company shall pay to you an additional amount (the "Gross-up Payment") such that the net amount retained by you, after deduction of any Excise Tax on the Total Payments and any federal, state and local income and employment taxes, and Excise Tax upon the Gross-up Payment, shall be equal to the Total Payments.

B. For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (1) all of the Total Payments shall be treated as "parachute payments" (within the meaning of Section 280G(b)(2) of the Code) unless, in the Company's opinion, the payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of Section 280G(b)(4)(A) of the Code, and (2) all "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax unless, in the Company's opinion, the excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered (within the meaning of

Section 280G(b)(4)(B) of the Code) in excess of the base amount allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax. For purposes of determining the amount of the Gross-up Payment, you will be deemed to pay federal income tax at the highest marginal rate of federal income taxation in the calendar year in which the Gross-up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of your residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of state and local taxes.

C. The Company will pay you the amount of the Gross-up Payment as soon as the amount can be determined, but in no event later than the 30th day after the Date of Termination. At the time that payments are made under this Agreement, the Company shall provide you with a written statement setting forth the manner in which the payments were calculated and the basis for the calculations including, without limitation, any opinions or other advice the Company has received from its tax counsel, its auditor, or other advisors or consultants (and any opinions or advice which are in writing shall be attached to the statement).

D. If the Excise Tax is finally determined to be less than the amount taken into account in calculating the Gross-up Payment, you shall repay to the Company, within 5 business days following the time that the amount of the reduction in Excise Tax is finally determined, the portion of the Gross-up Payment attributable to the reduction (plus that portion of the Gross-up Payment attributable to the Excise Tax and federal, state, and local income and employment taxes imposed on the Gross-up Payment being repaid by you, to the extent that such repayment results in a reduction in the Excise Tax and a dollar-for-dollar reduction in your taxable income and wages for purposes of federal, state, and local income and employment taxes). If the Excise Tax is

determined, for any reason, to exceed the amount taken into account in calculating the Gross-up Payment, the Company shall make an additional Gross-up Payment in respect of the excess (including any interest, penalties, or additions payable by you with respect to the Excise Tax) within 5 business days following the time that the amount of the excess is finally determined. You and the Company shall reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to the Total Payments.

8. *Employee Covenants; Release.*

A. You agree that you will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, other than in the course of your assigned duties and for the benefit of the Company, either during the period of your employment or at any time thereafter, any nonpublic, proprietary or confidential information, knowledge or data relating to the Company, any of its subsidiaries, affiliated companies or businesses, which you obtained during your employment by the Company. This restriction will not apply to information that (i) was known to the public before its disclosure to you; (ii) becomes known to the public after disclosure to you through no wrongful act of yours; or (iii) you are required to disclose by applicable law, regulation or legal process (provided that you provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company at its expense in seeking a protective order or other appropriate protection of such information).

B. During your employment with the Company and for one year after your termination, you agree that you will not, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, knowingly solicit, aid or induce any managerial level employee of the Company or any of its subsidiaries or affiliates to leave employment in order to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or knowingly take any action to materially assist or aid any other person, firm, corporation or other entity in identifying or hiring any such employee.

C. You agree that during and after your employment with the Company you shall not make any public statements that disparage the Company, its respective affiliates, employees, officers, directors, products or services. Notwithstanding the foregoing, statements made in the course of

sworn testimony in administrative, judicial or arbitral proceedings (including, without limitation, depositions in connection with such proceedings) shall not be subject to this Section 8.C.

D. Notwithstanding anything in this Agreement to the contrary, the payment to you of the benefits provided in Section 5 is conditioned upon your execution and delivery to the Company (and your failure to revoke) a customary general release of claims.

9. *Deferred Compensation and Benefits Trust.* The Company has established a Deferred Compensation and Benefits Trust, and shall comply with the terms of that Trust.

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, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

10. *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 succession had taken place. Failure of the Company to obtain an assumption and agreement prior to the effectiveness of any succession which occurs during your employment with the Company and the term of this Agreement 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 experience a Qualifying Termination or Qualifying Early Termination, except that for purposes of this Section 10.A, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean Boise Cascade Corporation and any successor to its business and/or assets which assumes and agrees to perform this Agreement.

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 under this Agreement if you had continued to live, all such amounts, unless otherwise provided in this Agreement, 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, provided that the Company is entitled to seek equitable relief in a court of competent jurisdiction in connection with the enforcement of the covenants set forth in Section 8. Under no circumstance will a violation or alleged violation of those covenants entitle the Company to withhold or offset a payment or benefit due under this Agreement.

11. *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 with this Section 11, except that notice of change of address shall be effective only upon receipt.

12. *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 an officer designated by the Board. No waiver by either party at any time of any breach by the other party of, or

compliance with, any condition or provision of this Agreement to be performed by the 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 of this Agreement have been made by either party which are not expressly set forth in this Agreement. All references to sections of the Exchange Act or

the Code shall be deemed also to refer to any successor provisions to those sections. If the obligations of the Company under Sections 4, 5, 6 and 7 arise prior to the expiration of the term of this Agreement, those obligations shall survive the expiration of the term.

13. *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.

14. *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.

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

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

17. *Other Benefits.* Any payments made to you pursuant to this Agreement 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, except that payments made to you pursuant to Section 5.A(2) shall be in lieu of any severance payment to which you would otherwise be entitled under any severance pay policy of the Company and payments made to you pursuant to Section 5.C shall be in lieu of any payments under the SERP.

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

J. W. Holleran
Senior Vice President and General Counsel

Agreed to this [] day of [], 200

[Name of Officer]

QuickLinks

[Exhibit 10.11](#)

[As amended through September 26, 2003]

DIRECTORS INDEMNIFICATION AGREEMENT

AGREEMENT, effective as of _____, 200____, between BOISE CASCADE CORPORATION, a Delaware corporation (the "Company"), and _____ (the "Indemnitee").

WHEREAS, it is essential to the Company to retain and attract as directors the most capable persons available;

WHEREAS, Indemnitee is a director of the Company;

WHEREAS, both the Company and Indemnitee recognize the increased risk of litigation and other claims being asserted against directors of public companies in today's environment;

WHEREAS, basic protection against undue risk of personal liability of directors previously has been provided through insurance coverage providing reasonable protection at reasonable cost, and Indemnitee has relied on the availability of such coverage; but as a result of substantial changes in the marketplace for such insurance, it has become increasingly more difficult to obtain such insurance on terms providing reasonable protection at reasonable cost;

WHEREAS, the Bylaws of the Company require the Company to indemnify and advance expenses to its directors to the full extent permitted by law, and the Indemnitee has been serving and continues to serve as a director of the Company in part in reliance on such Bylaws;

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to enhance Indemnitee's continued service to the Company in an effective manner, any inadequacy of the Company's director liability insurance coverage, and Indemnitee's reliance on the aforesaid Bylaws and in part to provide Indemnitee with specific contractual assurance that the protection promised by such Bylaws will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of such Bylaws or any change in the composition of the Company's board of directors or acquisition transaction relating to the Company), the Company wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the full extent permitted by law and as set forth in this Agreement and, to the extent insurance is maintained, for the continued coverage of Indemnitee under the Company's directors' liability insurance policies;

NOW, THEREFORE, in consideration of the premises and of Indemnitee's continuing to serve the Company directly, or at its request with another enterprise, and intending to be legally bound hereby, the parties agree as follows:

1. *Certain Definitions:*

(a) *A Change in Control of the Company:* shall be deemed to have occurred if:

(i) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 1(a)(iii)(A) shall not be deemed to be a Change in Control of the Company; or

(ii) The following individuals cease for any reason to constitute at least a majority 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 ²/₃rds 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (A) a merger or consolidation which would result in both (1) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (2) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 1(a)(iii)(A) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 1(a)(iii) which is not a Change in Control of the Company solely due to the operation of Subsection 1(a)(iii)(A)(1) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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, the Indemnitee participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, the Indemnitee shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity

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interest in the Acquiror as a result of the grant to the Indemnitee 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, if any, into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other directors 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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

(b) *Claim*: any threatened, pending, or completed action, suit, or proceeding or any inquiry or investigation, whether conducted by the Company or any other party, that Indemnitee in good faith believes might lead to the institution of any such action, suit, or proceeding, whether civil, criminal, administrative, investigative, or other.

(c) *Expenses*: include attorneys' fees and all other costs, expenses, and obligations paid or incurred in connection with investigating, defending, being a witness in, or participating in (including on appeal) or preparing to defend, be a witness in, or participate in any Claim relating to any Indemnifiable Event.

(d) *Indemnifiable Event*: any event or occurrence related to the fact that Indemnitee is or was a director, employee, agent, or fiduciary of the Company or is or was serving at the request of the Company as a director, officer, employee, trustee, agent, or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust, or other enterprise or by reason of anything done or not done by Indemnitee in any such capacity.

(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, provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from

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the Company, exceed 9.5% of the Company's then outstanding shares of common stock 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 has occurred.

(f) *Reviewing Party*: any appropriate person or body consisting of a member or members of the Company's board of directors or any other person or body appointed by the board (including the special, independent counsel referred to in Section 3) who is not a party to the particular Claim for which Indemnitee is seeking indemnification.

(g) *Voting Securities*: any securities of the Company which vote generally in the election of directors.

2. *Basic Indemnification Arrangement.*

(a) In the event Indemnitee was, is, or becomes a party to or witness or other participant in or is threatened to be made a party to or witness or other participant in a Claim by reason of (or arising in part out of) an Indemnifiable Event, the Company shall indemnify Indemnitee to the fullest extent permitted by law as soon as practicable, but in any event no later than 30 days after written demand is presented to the Company, against any and all Expenses, judgments, fines, penalties, and amounts paid in settlement (including all interest, assessments, and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties, or amounts paid in settlement) of such Claim. Notwithstanding anything in this Agreement to the contrary, prior to a Change in Control of the Company, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Claim initiated by Indemnitee against the Company or any director or officer of the Company unless the Company has joined in or consented to the initiation of such Claim. If so requested by Indemnitee, the Company shall advance (within 2 business days of such request) any and all Expenses to Indemnitee (an "Expense Advance").

(b) Notwithstanding the foregoing, (i) the obligations of the Company under Section 2(a) shall be subject to the condition that the Reviewing Party shall not have determined (in a written opinion, in any case in which the special, independent counsel referred to in Section 3 hereof is involved) that Indemnitee would not be permitted to be indemnified under applicable law; and (ii) the obligation of the Company to make an Expense Advance pursuant to Section 2(a) shall be subject to the condition that, if, when, and to the extent that the Reviewing Party determines that Indemnitee would not be permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts previously paid; provided, however, if Indemnitee has commenced legal proceedings in a court of competent jurisdiction to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Reviewing Party that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed). If there has not been a Change in Control of the Company, the Reviewing Party shall be selected by the board of directors, and if there has been a Change in Control of the Company, the Reviewing Party shall be the special, independent counsel referred to in Section 3 hereof. If there has been no determination by the Reviewing Party or if the Reviewing Party determines that Indemnitee substantively would not be permitted to be indemnified in whole or in part under applicable law, Indemnitee shall have the right to commence litigation in any court in the states of _____ or Delaware having subject matter jurisdiction thereof and in which venue is proper seeking an initial determination by the court or challenging any such determination by the Reviewing Party or any aspect thereof, and the Company hereby consents to

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service of process and to appear in any such proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company and Indemnitee.

3. *Change in Control.* The Company agrees that if there is a Change in Control of the Company (other than a Change in Control of the Company which has been approved by a majority of the Company's board of directors who were directors immediately prior to such Change in Control), then with respect to all matters thereafter arising concerning the rights of Indemnitee to indemnity payments and Expense Advances under this Agreement or any other agreement or Company Bylaw now or hereafter in effect relating to Claims for Indemnifiable Events, the Company shall seek legal advice only from special, independent counsel selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld) ("Approved Counsel"). The Approved Counsel shall (i) be located in New York City; (ii) consist of 100 or more attorneys; (iii) be rated "a v" by Martindale-Hubbell Law Directory; and (iv) not otherwise have performed services for the Company within the last 10 years (other than in connection with such matters) or for the Indemnitee. The Approved Counsel may consult with counsel admitted to the bar in the state of Delaware in connection with all matters arising hereunder. The Approved Counsel, among other things, shall render its written opinion to the Company and Indemnitee as to whether and to what extent the Indemnitee would be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the Approved Counsel referred to above and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities, and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

4. *Establishment of Trust.* In the event of a Potential Change in Control of the Company, the Company shall, upon written request by Indemnitee, create a trust for the benefit of the Indemnitee and from time to time upon written request of Indemnitee shall fund such trust to the extent permitted by law in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for, and defending any Claim relating to an Indemnifiable Event, and any and all judgments, fines, penalties, and settlement amounts of any and all Claims relating to an Indemnifiable Event from time to time actually paid or claimed, reasonably anticipated, or proposed to be paid. The amount or amounts to be deposited in the trust pursuant to the foregoing funding obligation shall be determined by the Reviewing Party in any case in which the special, independent counsel referred to above is involved. The terms of such trust shall provide that upon a Change in Control of the Company: (i) the trust shall not be revoked or the principal thereof invaded, without the written consent of the Indemnitee; (ii) the trustee shall advance, within 2 business days of a request by the Indemnitee, any and all Expenses to the Indemnitee (and the Indemnitee hereby agrees to reimburse the trust under the circumstances under which the Indemnitee would be required to reimburse the Company under Section 2(b) of this Agreement); (iii) the trust shall continue to be funded by the Company in accordance with the funding obligation set forth above; (iv) the trustee shall promptly pay to the Indemnitee all amounts for which the Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise; and (v) all unexpended funds in such trust shall revert to the Company upon a final determination by the Reviewing Party or a court of competent jurisdiction, as the case may be, that the Indemnitee has been fully indemnified under the terms of this Agreement. The trustee shall be chosen by the Indemnitee. Nothing in this Section 4 shall relieve the Company of any of its obligations under this Agreement.

5. *Indemnification for Additional Expenses.* The Company shall indemnify Indemnitee against any and all expenses (including attorneys' fees) and, if requested by Indemnitee, shall (within 2 business days of such request) advance such expenses to Indemnitee, which are incurred by Indemnitee in connection with any claim asserted against or action brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or Company Bylaw now or hereafter in effect relating to Claims for Indemnifiable Events and/or (ii) recovery under any directors' liability insurance policies maintained by the Company, regardless of

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whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment, or insurance recovery, as the case may be.

6. *Partial Indemnity, etc.* If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, fines, penalties, and amounts paid in settlement of a Claim but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any Claim relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses incurred in connection therewith. In connection with any determination by the Reviewing Party or otherwise as to whether Indemnitee is entitled to be indemnified hereunder, the burden of proof shall be on the Company to establish that Indemnitee is not so entitled.

7. *No Presumption.* For purposes of this Agreement, the termination of any claim, action, suit, or proceeding, by judgment, order, settlement (whether with or without court approval), or conviction, or upon a plea of nolo contendere or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

8. *Nonexclusivity, etc.* The rights of the Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the Company's Bylaws or the Delaware General Corporation Law or otherwise. To the extent that a change in the Delaware General Corporation Law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Company's Bylaws and this Agreement, it is the intent of the parties that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change.

9. *Liability Insurance.* To the extent the Company maintains an insurance policy or policies providing directors' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director.

10. *Period of Limitations.* No legal action shall be brought, and no cause of action shall be asserted by or on behalf of the Company or any affiliate of the Company against Indemnitee, Indemnitee's spouse, heirs, executors, or personal or legal representatives after the expiration of 2 years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its affiliate shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such 2-year period; provided, however, if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

11. *Amendments, Etc.* No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by both of the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

12. *Subrogation.* In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

13. *No Duplication of Payments.* The Company shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has

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otherwise actually received payment (under any insurance policy, Bylaw, or otherwise) of the amounts otherwise indemnifiable hereunder.

14. *Binding Effect, etc.* This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation, or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as an officer or director of the Company or of any other enterprise at the Company's request.

15. *Severability.* The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph, or sentence) are held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law.

16. *Governing Law.* This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Delaware applicable to contracts made and to be performed in such state without giving effect to the principles of conflicts of laws.

17. *Prior Agreements.* This Agreement shall supersede any and all prior agreements executed by the Company and Indemnitee relating to the subject matter hereof, and any and all such prior agreements shall be null and void as of the effective date of this Agreement.

Executed as of the date first written above.

BOISE CASCADE CORPORATION

By:

Name: George J. Harad
Title: Chairman of the Board & Chief Executive Officer

INDEMNITEE

[Name]

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QuickLinks

[Exhibit 10.15](#)

[DIRECTORS INDEMNIFICATION AGREEMENT](#)

BOISE CASCADE CORPORATION
DIRECTOR STOCK COMPENSATION PLAN
(As Amended Through September 26, 2003)

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.* The Executive Compensation Committee or any successor to the Committee (the "Committee") shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

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 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:

$$\frac{\text{Elected Portion of Annual Retainer and Meeting Fees}}{\text{(Fair Market Value - \$2.50)}} = \text{Number of Option Shares}$$

3.3.2 *Dividend Equivalent Shares.* The number of option Shares equal to the nearest whole number determined by the following formula:

$$\frac{\text{Dividend Equivalent}}{\text{(Fair Market Value - \$2.50)}} = \text{Number of Option Shares}$$

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 $\frac{1}{2}$ 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, 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.

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3.3.3.5 "*Fair Market Value.*" The closing price for Shares as reported by the New York Stock Exchange or another generally accepted pricing standard chosen by the Company, in each case on 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.

3.3.3.7 "*Valuation Date.*" July 31, or if Fair Market Value is not available on July 31, the immediately preceding business day for which Fair Market Value is available.

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 Section 422A of the Internal Revenue Code of 1986.

3.7 *Period of Option.* No option may be exercised within 6 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 6 months after the Grant Date]. No option shall be exercisable after expiration of 3 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 Not Transferable.* 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),

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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 a "Change in Control of the Company" occurs while unexercised options remain outstanding hereunder, then from and after the date on which the Change in Control of the Company occurs, all options previously granted under this Plan

shall be immediately exercisable in full.

For purposes of this section, a "Change in Control of the Company" shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 3.11(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 3.11(c)(i) shall not be deemed to be a Change in Control of the Company; or

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(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 3.11(c) which is not a Change in Control of the Company solely due to the operation of Subsection 3.11(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

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 Subsection 3.3.3.4 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 January 1, 2003.

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 6 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.

QuickLinks

[Exhibit 10.17](#)

[BOISE CASCADE CORPORATION DIRECTOR STOCK COMPENSATION PLAN \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION

DIRECTOR STOCK OPTION PLAN

(As Amended Through September 26, 2003)

1. *Plan Administration and Eligibility.*

1.1 *Purpose.* The purpose of the Boise Cascade Corporation (the "Company") Director Stock Option Plan (the "Plan") is to encourage ownership of the Company's common stock by its nonemployee directors.

1.2 *Administration.* The Executive Compensation Committee or any successor to the Committee (the "Committee") shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

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 200,000 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 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.

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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, or another generally accepted pricing standard chosen by the Company, 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 3,000. The Board of Directors may increase or decrease this number, not more frequently than once each year, by action taken at least 6 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, he or she shall not be eligible to receive a grant of an option in any year following the year in which he or she 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 6 months after the Grant Date. No option shall be exercisable after the earlier to occur of (a) 3 years from the date upon which the option holder terminates his or her position as a director of the Company or (b) 10 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 Not Transferable.* 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.

Notwithstanding the foregoing, Options granted to or held by any director may be transferred as a gift (but not sold for value) by such director to any immediate family member of such director, to a trust established for the benefit of any immediate family members, to a partnership in which only immediate family members are partners, or to other similar entities established for the benefit of immediate family members. Options so transferred shall continue to be subject to all terms and conditions described in the applicable Stock Option agreement, and any such transfer by gift shall be subject to all applicable rules and regulations of the Internal Revenue Service and Securities and Exchange Commission.

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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 a "Change in Control of the Company" occurs while unexercised options remain outstanding hereunder, then from and after the date on which the Change in Control of the Company occurs, all options previously granted under this Plan shall be immediately exercisable in full.

For purposes of this section, a "Change in Control of the Company" shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 3.11(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition

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of securities by any Person in connection with a transaction described in Section 3.11(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 3.11(c) which is not a Change in Control of the Company solely due to the operation of Subsection 3.11(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election

by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

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 10th 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.

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Moreover, in no event may Plan provisions be amended more than once every 6 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.

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BOISE CASCADE CORPORATION

1995 EXECUTIVE OFFICER DEFERRED COMPENSATION PLAN

(As Amended Through September 26, 2003)

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) 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 10 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 *Committee.* The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.3 *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.

2.4 *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 or any subsidiary, partnership, or joint venture of the Company. The determination of whether a business is a Competitor shall be made by the Company's General Counsel, in his or her sole discretion.

2.5 *Deferred Account.* The record on the Company's books of the cumulative amount of a Participant's compensation deferred pursuant to this Plan, including amounts credited to the

Participant's account pursuant to Section 4.3, plus either imputed interest on such deferred amounts accrued as provided in Section 4.4, or the value of Stock Units credited to the Participant's account as provided in Section 4.4.

2.6 *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.

2.7 *Deferred Compensation and Benefits Trust.* The irrevocable trust (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

a. A "Potential Change in Control" shall be deemed to have occurred if (a) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (b) 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; (c) 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, provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 9.5% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; or (d) the Board adopts a resolution to the effect that a Potential Change in Control has occurred.

b. 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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless

such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.7(b)(iii)(A) shall not be deemed to be a Change in Control of the Company; or

(ii) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (A) a

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merger or consolidation which would result in both (1) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (2) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.7(b)(iii)(A) shall not be deemed to be a Change in Control of the Company; or

(iv) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.7(b)(iii) which is not a Change in Control of the Company solely due to the operation of Subsection 2.7(b)(iii)(1) (A) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or

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group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

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 and 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 on or after 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 amended from time to time.

2.14 *Retirement.* The termination of employment of a Participant for reasons other than death, total disability (as defined in the Pension Plan), or disciplinary reasons (as that term is used for purposes of Corporate Policy 10.2, Termination of Employment), at any time after the Participant has attained age 55 with 10 or more Years of Service.

2.15 *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.

2.16 *Stock Unit.* The notional account unit equal in value to one share of the Company's common stock.

2.17 *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, 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.

2.18 *Year of Service.* A Year of Service as accumulated under the Pension Plan.

3. *Administration and Interpretation of the Plan.* The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities,

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unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Sections 11 and 12. Any interpretation by the Committee shall be final and binding on the Participants.

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 Committee. A request to alter the amount of compensation deferred must be submitted by a Participant in writing to the Committee 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 Committee, 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.

4.4 *Account Elections.*

(a) Each Participant may elect at any time, and from time to time, to have his or her Deferred Account credited with either the applicable Account Accumulation Rate or allocated Stock Units, with such elections effective for deferrals of Compensation earned beginning with the first pay period immediately following the Committee's receipt of the Participant's valid written election. However, under no circumstances may such elections be made more frequently than once in any 4-month period. If a Participant timely elects to have his or her Deferred Account credited with Stock Units, then the Participant's Deferred Account shall be credited with the number of Stock Units (on the date on which the Compensation would otherwise have been paid to the Participant), equal to (i) 100% of the amount of such deferred Compensation ("Participant Stock Units"), plus (ii) 25% of the amount of such deferred Compensation ("Company Matching Stock Units"), with each Stock Unit value based on the closing price of the Company's common stock on the New York Stock Exchange ("NYSE") on that date (or, if the common stock is not traded on the NYSE on such date, on the immediately preceding trading day) or another generally accepted pricing standard chosen by the Company. Each Stock Unit in a Participant's Deferred Account shall thereafter have a value equal to the market value of one share of the Company's common stock. Except as provided in subparagraph (d) and Subsection 5.1(b) hereof, Stock Units must be held for a minimum of 6 months from the date on which such Stock Units are first credited to the Participant's account. Stock Units may not be sold, transferred, assigned, alienated, or pledged by any Participant.

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(b) If a Participant elects to receive Stock Units, then on each dividend payment date for the common stock, additional Stock Units shall be credited to the Participant's Deferred Account ("Dividend Equivalent Stock Units"). Dividend Equivalent Stock Units shall (i) be equal in value to the imputed dividend on each Stock Unit credited to the Participant's account as of the record date for such dividend; (ii) be allocated, as appropriate, to either the Participant Stock Units or the Company Matching Stock Units credited to the Participant's Deferred Account; and (iii) vest in accordance with the vesting of the underlying Stock Units to which they are allocated.

(c) A Participant shall be fully vested in his or her Participant Stock Units, including allocated Dividend Equivalent Stock Units, at all times. Vesting in Company Matching Stock Units, including allocated Dividend Equivalent Stock Units, shall be as follows: (i) 100% upon the Participant's death, total disability, or Retirement; (ii) 100% upon a Change in Control; (iii) 100% upon the Participant's involuntary termination (other than a termination for "Disciplinary Reasons" as that term is used in Corporate Policy 10.2, Termination of Employment) or termination as a direct result of the sale or permanent closure of a facility, operating unit, or division of the Company; or (iv) for termination of employment for all other reasons (including voluntary terminations), 20% (cumulative) on each anniversary of the date the Participant's account was first credited with Stock Units under this Plan.

(d) Upon the occurrence of a Potential Change in Control or a Change in Control, shares of Common Stock equal to the number of Stock Units in all Participants' Deferred Accounts may, in the Company's sole discretion, be transferred to the Trustee of the DCB Trust to be held in accordance with the terms of the DCB Trust and this Plan. Upon a Change in Control, all Stock Units credited to a Participant's Deferred Account shall be converted to Stock Units of equivalent value payable in the common stock of the successor entity to the Company, as follows: if the Change in Control involves the merger or sale of the entire Company or a tender offer for all the outstanding Common Stock, conversion shall be at the conversion, sale, or exchange price applicable to the Common Stock in connection with such Change in Control. Any shares of Common Stock held by the Trustee shall be converted to shares of common stock of the successor entity (if any) at the same conversion value as described in this subsection. Following a Change in Control and after public disclosure of at least 30 days financial results of the consolidated entity, each Participant may elect, at any time or from time to time, to convert all or any portion of his or her Stock Unit Account to a dollar equivalent and have such amount credited thereafter with the applicable Account Accumulation Rate. If a Participant makes such an election, the Trustee shall sell, into the open market, shares of stock attributable to Stock Units in such Participant's Deferred Account previously acquired and held pursuant to this subsection, if any, and shall hold, invest, and reinvest the proceeds of such sale in accordance with the terms of the DCB Trust. If the Change in Control does not involve the merger or sale of the entire Company or a tender offer for all the outstanding Common Stock, Stock Units shall be converted to a dollar equivalent at the highest trading price of the Company's Common Stock during the 20-day period immediately preceding the date of the Change in Control and credited to the Participants' Interest Account(s).

5. *Payment of Deferred Amounts.*

5.1 *Participant Account.*

(a) The Company shall maintain, for each Participant, a record of the Participant's deferrals in accordance with elections made by the Participant as described in Section 4.4. Each Participant's Deferred Account will be credited with the amount of the Participant's deferred Compensation, plus the amount of the Company contribution pursuant to

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Section 4.3, if any. Each Deferred Account shall reflect, in accordance with the Participant's election(s), either the dollar amount of the Participant's deferred Compensation plus the applicable Account Accumulation Rate ("Interest Account"), or an allocation of Participant Stock Units equal in value to the deferred Compensation plus Company Matching Stock Units and Dividend Equivalent Stock Units in accordance with Section 4.4 ("Stock Unit Account").

(b) If the Participant's Deferred Account is credited with Stock Units, the Participant shall be paid the value of all vested Stock Units in his or her Deferred Account in accordance with the Participant's election under his or her Deferred Compensation Agreement and in the form of the Company's Common Stock (or, if applicable, in accordance with Subsection 4.4(d)). Such payment shall be made in accordance with the Participant's Deferred Compensation Agreement. If a Participant's Deferred Account is credited with Stock Units and the Participant terminates employment and is eligible for a distribution but shares of Common Stock are not then available for distribution, the Company may elect, in its sole discretion, to delay the distribution until such shares become available.

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 10 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 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 10 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 Interest Account balance. The Participant making a hardship termination and distribution request under this section shall document, to the Committee's satisfaction, that termination of participation and distribution of his or her Interest 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 Committee may, in its sole discretion, terminate the Participant's involvement in the Plan and distribute all or a portion of the Participant's Interest Account balance in a lump sum, to

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 Interest Account or Accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the Participant's accumulated Interest Account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of that 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 Committee. The lump-sum payment shall be made within 30 days of the date on which the Committee 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.* If 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 Account balance. Upon receipt of a request for distribution under this section, the Committee may, in its sole discretion, elect whether to approve or deny the request. If the Committee approves a request under this section, distribution of the Participant's account shall occur no later than January 1 of the year following the year during which such Termination of Employment occurs.

5.7 *Small Account Distributions.* If a Participant terminates employment with the Company for any reason and either (i) the Participant's benefit under this Plan is less than \$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 Deferred Account balance. Upon receipt of a request for distribution under this section, the Committee may, in its sole discretion, elect whether to approve or deny the request. If the request is approved, the Committee 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 Committee at least 30 days prior to the first 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 Committee. 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's Interest 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 Committee 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 Committee approves such request. The Committee 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. If a Participant dies before receiving all benefit payments, all subsequent payments under the Plan shall be made 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 is in effect when any benefits payable under this Plan 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.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

6.3 *Taxes.* The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

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 Committee or the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 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 of the Board, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

9. *Unsecured General Creditor.* Except as provided in Section 10, 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. The 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

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

10. *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may, in addition to any contributions of stock made with respect to Stock Units pursuant to Subsection 4.4(d), transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

11. *Claims Procedure.*

11.1 *In General.* Claims for benefits under the Plan, other than claims for disability benefits under Section 5.10, shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days for special circumstances by the Compensation Manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

11.2 *Disability Claims.* Claims for disability benefits under Section 5.10 of the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's Compensation Manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 45 days after the application is filed. This 45-day period may be extended for up to two additional 30-day periods by the Compensation Manager, in his or her sole discretion, in each case for reasons beyond the Plan's control and by providing written notice

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of the extension to the claimant prior to the expiration of the current period. If additional information is needed from the Participant in order to make a decision on the claim, the Manager will notify the Participant of the information needed and the Participant will have 45 days to provide the requested information. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
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describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,

- explain how the claimant may submit the claim for review and state applicable time limits,
- if an internal rule or guideline was relied upon, state that an internal rule or guideline was relied upon and that a copy of the rule or guideline will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

12. *Claims Review Procedure.*

12.1 *In General.* Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit claim, other than a claim for disability benefits under Section 5.10 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 11.1, and shall be filed with the Company's Compensation Manager. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

12.2 *Disability Claims.* Any Participant, former Participant, or Beneficiary of either, who has been denied a claim for Disability benefits under Section 5.10 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or claim, and to a review of his or her denied claim. A request for review, together with a written statement of the

claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed with the Company's Compensation Manager no later than 180 days after receipt of the written notification provided for in Section 11.2. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 45 days after receiving the claimant's request for review. This 45-day period may be extended an additional 45 days if special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 45-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim,
- indicate whether any rule, guideline, protocol or criterion was relied on in the decision and, if so, that a copy of such rule, guideline, protocol or criterion will be provided at no charge upon request,
- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

BOISE CASCADE CORPORATION

1995 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

(As Amended Through September 26, 2003)

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 *Committee.* The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.3 *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.

2.4 *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, 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.

2.6 *Deferred Compensation and Benefits Trust.* The irrevocable trust (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.6(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 ²/₃rds 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.6(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.6(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.6(c)(i) (a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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

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"Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.7 *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.

2.8 *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.

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

2.10 *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.* The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Sections 10 and 11. Any interpretation by the Committee shall be final and binding on the Participants.

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

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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 Committee. A request to alter the amount of Compensation deferred must be submitted by a Participant in writing to the

Committee 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 Committee, 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 Committee, pursuant to Section 5.3.

5.3 *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. 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 Committee. 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 Committee. The lump-sum payment shall be made within 30 days of the date on which the Committee 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. If a Participant dies before receiving all benefit payments, all subsequent payments under the Plan shall be made 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 is in effect when any benefits payable under this Plan 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 under this Plan all applicable federal or state taxes required by law to be withheld.

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 Committee or 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 Salaried and Executive Compensation Manager at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

7. *Amendment and Termination.* The Company, acting through its Board of Directors or any committee of the Board of Directors, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

8. *Unsecured General Creditor.* Except as provided in Section 9, 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. The 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 an unfunded and unsecured promise of the Company to pay money in the future.

9. *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this

Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to

the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

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 Salaried and Executive Compensation Manager, 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 Salaried and Executive Compensation Manager, in his or her 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 Salaried and Executive Compensation Manager, 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.

QuickLinks

[Exhibit 10.20](#)

[BOISE CASCADE CORPORATION 1995 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN \(As Amended Through September 26, 2003\)](#)

BOISE CASCADE CORPORATION
1995 SPLIT-DOLLAR LIFE INSURANCE PLAN
(As Amended Through September 26, 2003)

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 Boise Cascade Corporation ("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 Committee shall designate executive officers eligible to participate in the Plan.

2. *Definitions.*

2.1 "Annual Premium" means 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: (a) 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 (b) 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 "Assignment or Collateral Assignment" means 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.

2.3 "Base Salary" means the annual Base Salary in effect on the policy anniversary date preceding the Participant's death if the Participant dies while an active Employee of the Company.

2.4 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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.4(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.4(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.4(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.4(c)(i) (a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

For purposes of this section and Section 2.17, "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 and Section 2.17, "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 "Person" 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, (iv) a corporation owned, directly or indirectly, by the

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stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.5 "*Code*" means the Internal Revenue Code of 1986, as amended.

2.6 "*Committee*" means the Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.7 "*Corporate Capital Interest*" means accumulative amounts paid by the Company for an Insurance Policy Annual Premium as set forth in Section 6.1. The Corporate Capital Interest shall be reduced by policy loans, if any (including interest thereon), made by the Company.

2.8 "*Deferred Compensation and Benefits Trust*" means the irrevocable trust (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.9 "*Effective Date*" means April 1, 1995.

2.10 "*Employee*" means an individual who receives a Base Salary for personal services rendered to the Company.

2.11 "*Final Salary*" means the Participant's annual Base Salary on his or her Retirement date.

2.12 "*Insurance Carrier*" means the life insurance company or companies selected to issue policies under or pursuant to the Plan.

2.13 "*Insurance Policy*" means 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.

2.14 "*Participant*" means 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.

2.15 "*Pension Plan*" means the Boise Cascade Corporation Pension Plan for Salaried Employees, as amended from time to time.

2.16 "*Plan Administrator*" means the Committee. The Committee may delegate day-to-day administrative functions to the Company's management.

2.17 "*Potential Change in Control*" shall be deemed to have occurred if (a) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (b) 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; (c) 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,

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provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 9.5% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; or (d) the Board adopts a resolution to the effect that a Potential Change in Control has occurred.

2.18 "*Retirement*" means the termination of employment of a Participant, for reasons other than death or total disability (as defined in the Pension Plan), at any time after the Participant has attained age 55 with 10 or more years of service (as defined in the Pension Plan), and 5 years of service as an executive officer of the Company.

2.19 "Trustee's Payment Schedule" means the schedule of Insurance Policy premiums payable by the trustee of the Deferred Compensation and Benefits Trust after a Change in Control as specified on the form attached hereto.

3. *Administration and Interpretation of the Plan.*

3.1 *Plan Administrator.* The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Section 9. Any interpretation by the Committee shall be final and binding on the Participants.

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

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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 2 times Base Salary.

5.2 *Post-Retirement Death Benefit.* A death benefit equal to 1 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 1-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 Subsection 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.

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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 Subsection 6.1(b)(2), within a 1-year period after a Potential Change in Control, or at any time after a Change in Control, except upon the date specified in Section 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 Subsection 6.3(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, directly or indirectly, 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

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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, directly or indirectly, 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.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with

respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

8.1 *Trustee's Rights and Obligation.* In the event of a Change in Control, the trustee for the DCB Trust shall at all times thereafter be obligated for amounts payable in accordance with the trustee's Payment Schedule, to the extent the DCB Trust is funded pursuant to Section 8. The Company shall notify the Insurance Carrier of a Change in Control.

8.2 *Plan Funding.* In the event of a Change in Control, the Company shall be required to participate in the funding of each Insurance Policy until the first of the events described in Subsections 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 shall be required to continue the funding of the Insurance Policy until the later of (a) the applicable date specified in Subsections 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 Section 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 Plan.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

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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 Committee or the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 1111 West Jefferson Street, 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 Subsection 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 imposes 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.

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QuickLinks

[Exhibit 10.21](#)

[BOISE CASCADE CORPORATION 1995 SPLIT-DOLLAR LIFE INSURANCE PLAN \(As Amended Through September 26, 2003\)](#)

[As amended through September 26, 2003]

CONFIDENTIAL

(Date)

[]

Dear []:

Boise Cascade Office Products 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 a change in control of Boise Cascade Corporation ("Boise"), the sole stockholder of the Company, is threatened or occurs. In this regard, the Company's Director (the "Director") recognizes that the possibility of a change in control may exist and that the uncertainty and questions which this possibility may raise among management could result in the departure or distraction of management personnel to the detriment of the Company and its stockholder.

The Director 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 the possibility of a change in control of Boise, 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 Boise, the Company agrees that you shall receive the severance benefits set forth in this letter agreement if your employment with the Company is terminated before or after a "change in control of Boise" (as defined in Section 2) under the circumstances described below.

1. *Term of Agreement.* This Agreement amends, supersedes, and restates in its entirety the Agreement between you and the Company dated []. This amendment is effective on the date hereof and shall continue in effect through []; provided that on January 1, [] and on each January 1 thereafter, the term of this Agreement shall automatically be extended so as to terminate on the 3rd 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. However, if a change in control of Boise occurs during the term of this Agreement, this Agreement shall continue in effect for a period of not less than 24 months after the month in which the change in control of Boise occurred.

2. *Change in Control.*

A. A "change in control of Boise" shall be deemed to have occurred if an event set forth in any one of the following paragraphs occurs:

(1) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Boise representing 25% or more of either the then outstanding shares of common stock of Boise or the combined voting power of Boise's then outstanding securities; provided, however, if such Person acquires securities directly from Boise, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from Boise, exceed 25% of Boise's then outstanding shares of common stock or the combined voting power of Boise's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.A(3)(i) of this Agreement shall not be deemed to be a change in control of Boise; or

(2) The following individuals cease for any reason to constitute at least a majority of the number of directors of Boise then serving: individuals who, on the date hereof, constitute the board of directors of Boise 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 Boise) whose appointment or election by Boise's board of directors Boise or nomination for election by

Boise's stockholders was approved by a vote of at least $\frac{2}{3}$ of the directors of Boise then still in office who either were directors of Boise on the date hereof or whose appointment, election or nomination for election was previously so approved (the "Continuing Directors"); or

(3) The consummation of a merger or consolidation of Boise (or any direct or indirect subsidiary of Boise) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) the voting securities of Boise 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) more than 50% of the combined voting power of the voting securities of Boise 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 Boise (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Boise representing 25% or more of either the then outstanding shares of common stock of Boise or the combined voting power of Boise's then outstanding securities; provided that securities acquired directly from Boise shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from Boise, exceed 25% of Boise's then outstanding shares of common stock or the combined voting power of Boise's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Subsection 2.A(3)(i) of this Agreement shall not be deemed to be a change in control of Boise; or

(4) The stockholders of Boise approve a plan of complete liquidation or dissolution of Boise or the consummation of an agreement for the sale or disposition by Boise of all or substantially all of Boise's assets, other than a sale or disposition by Boise of all or substantially all of Boise's assets to an entity, more than 50% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of Boise immediately prior to such sale.

A transaction described in Section 2.A(3) which is not a change in control of Boise solely due to the operation of Subsection 2.A(3)(i)(a) will nevertheless constitute a change in control of Boise if the board of directors of Boise determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of Boise (a "Transaction") shall not constitute a change in control of Boise 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 or Boise into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company or Boise 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 Boise, 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 Boise" shall be deemed to have occurred if (1) Boise enters into an agreement, the consummation of which would result in the occurrence of a change in control of Boise; (2) Boise or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a change in control of Boise; (3) any Person becomes the Beneficial Owner, directly or indirectly, of securities of Boise representing 9.5% or more of either the then outstanding shares of common stock of Boise or the combined voting power of Boise's then outstanding securities, provided that securities acquired directly from Boise shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from Boise, exceed 9.5% of Boise's then outstanding shares of common stock or the combined voting power of Boise's then outstanding securities); or (4) the Director adopts a resolution to the effect that a potential change in control of Boise 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 Boise, you will at the option of the Company remain in the employ of the Company until the earlier of (a) the date which is 6 months from the occurrence of the first such potential change in control, or (b) the date of a change in control of Boise.

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 "Person" shall not include (1) Boise or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of Boise 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 Boise in substantially the same proportions as their ownership of stock of Boise, or (5) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of Boise on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Boise securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person for purposes of this Agreement as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

3. *Termination and Change in Control.* Except as set forth in Sections 6, 7, and 10.A, no benefits shall be payable under this Agreement unless there is a change in control of Boise, your employment is terminated, and your termination is a Qualifying Termination or a Qualifying Early Termination. Your termination is a Qualifying Termination if a change in control of Boise occurs and your employment subsequently terminates during the term of this Agreement, unless your termination is because of your death, by the Company for Cause or Disability, or by you other than for Good Reason. Your termination is a Qualifying Early Termination if a potential change in control of Boise occurs, your employment terminates during the pendency of the potential change in control of Boise and during the term of this Agreement, the termination is in contemplation of a change in control of Boise, and an actual change in control of Boise occurs within one year following your termination, unless your termination is because of your death, by the Company for Cause or Disability, or by you other than for Good Reason. A transfer of your employment from Boise to one of its subsidiaries, from the Company or any other subsidiary to Boise, or between subsidiaries is not a termination of employment for purposes of this Agreement.

A. *Disability.* If, as a result of your incapacity due to physical or mental illness or injury, you shall have been absent from your duties with the Company on a full-time basis for 6 consecutive months, and within 30 days after written notice of termination is given you have not 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" means termination upon (1) your willful and continued failure to substantially perform your duties with the Company (other than failure resulting from your incapacity due to physical or mental illness or injury or actual or anticipated failure resulting from your termination for Good Reason), after a demand for substantial performance is delivered to you by the Director which specifically identifies the manner in which the Director believes that you have not substantially performed your duties, or (2) your willful engagement in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise. For purposes of this Section 3.B, 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 act 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:

- a resolution is duly adopted by the Director (after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before the Director), finding that in the good faith opinion of the Director you were guilty of conduct set forth above in clauses (1) or (2) of this Section 3.B and specifying the particulars of your conduct in detail, and
- a copy of this resolution is delivered to you.

All decisions by the Company regarding termination for Cause must be supported by clear and convincing evidence.

C. *Good Reason*. "Good Reason" means any of the following, if occurring without your express written consent after a change in control of Boise:

- (1) The assignment to you of any duties inconsistent with your responsibilities as an Executive Officer of the Company or a significant adverse alteration in your responsibilities from those in effect immediately prior to the change in control of Boise;
- (2) The disposition 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 the acquirer of the business assumes and agrees to fully perform this Agreement and the Company agrees to guarantee the obligations of the acquirer under this Agreement;
- (3) A reduction by the Company in your annual base salary as in effect on the date of this Agreement (as the same may be increased from time to time), except for across-the-board salary reductions similarly affecting all executives of the Company, all executives of any Person in control of the Company, and all executives of any Person in control of Boise;
- (4) A reduction by the Company in your target annual cash incentive as in effect immediately prior to the change in control of Boise;
- (5) The Company's requiring you to be based anywhere other than in the metropolitan area in which you were based immediately prior to the change in control of Boise, except for required travel on the Company's business to an extent substantially consistent with your business travel obligations as such existed immediately prior to the change in control;
- (6) The failure by the Company to continue to provide you with benefits and compensation including paid time off, welfare benefits, short- and long-term incentives, pension, life insurance, healthcare, and disability plans, no less favorable in the aggregate than the benefits and compensation available to you immediately prior to the change in control of Boise;

(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 10; or

(8) Any purported termination of your employment by the Company which is not effected pursuant to a resolution satisfying the requirements of Section 3.B or a Notice of Termination satisfying the requirements of Section 3.D, as applicable. Furthermore, no such purported termination of your employment shall be effective for purposes of this Agreement.

For purposes of determining whether a Qualifying Early Termination has occurred, references to a change in control of Boise in this Section 3.C shall be deemed to refer to any potential change in control of Boise pending at the time of the event or circumstance alleged to be Good Reason.

Your right to terminate your employment pursuant to this Section 3.C shall not be affected by your incapacity due to physical or mental illness or injury. 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.

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 according to Section 11. A "Notice of Termination" must indicate the specific termination provision in this Agreement relied upon and set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the indicated provision.

E. *Date of Termination*. "Date of Termination" means:

- (1) if your employment is terminated for Disability, 30 days after the Notice of Termination is given (provided that you have not returned to the performance of your duties on a full-time basis during that 30-day period);
- (2) if your employment is terminated for Cause, for Good Reason or for any other reason other than Disability or a Qualifying Early Termination, the date specified in the Notice of Termination (which, in the case of a termination for Cause shall not be less than 30 days from the date the Notice of Termination is given, and in the case of a termination for Good Reason shall not be more than 60 days from the date the Notice of Termination is given);
- (3) if your termination is a Qualifying Early Termination, the later of the date determined according to subsection (1) or (2) above, or the date upon which the actual change in control of Boise occurs; or
- (4) if a dispute exists regarding the termination, 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 having expired and no appeal having been perfected), or, if earlier, the last day of the term of this Agreement. This subsection (4) shall apply only if (i) the party receiving the Notice of Termination notifies the other party within 30 days that a dispute exists, (ii) the notice of dispute is made in good faith, and (iii) the party giving the notice of dispute pursues resolution of the dispute with reasonable diligence. While any dispute is pending under this subsection (4), the Company will continue to pay you your full compensation in effect when the Notice of Termination 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 and programs in which you were participating when the Notice of Termination giving rise to the dispute was given, until the dispute is finally resolved, or if earlier, the last day of the term of this Agreement. Amounts paid under this subsection (4) 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 During Disability or Upon Termination for Cause or Other than for Good Reason*

A. During any period that you fail to perform your duties as a result of incapacity due to physical or mental illness or injury, you shall continue to receive your full base salary at the rate then in effect and all compensation paid during the period until your employment is terminated for Disability pursuant to Section 3.A. 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 Boise.

B. If your employment is 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 those payments are due, and the Company shall have no further obligations to you under this Agreement.

5. *Compensation upon a Qualifying Termination or Qualifying Early Termination.* If your employment is terminated pursuant to a Qualifying Termination or Qualifying Early Termination then you shall be entitled to the benefits provided in this Section 5.

A. Not later than the 5th day following the date the release required pursuant to Section 8.D becomes effective, the Company will pay you the following amounts:

(1) Your full base salary through the Date of Termination (or, in the case of a Qualifying Early Termination, through your last day of employment) at the rate in effect at the time Notice of Termination is given without regard to any reduction in base salary that would constitute Good Reason (whether or not any reduction is asserted as Good Reason), plus all other amounts to which you are entitled under any compensation plan of the Company at the time those payments are due (in each case, to the extent not already paid);

(2) A lump sum severance payment equal to 3 times the sum of (a) your annual base salary at the rate in effect at the time Notice of Termination is given without regard to any reduction in base salary that would constitute Good Reason (whether or not any reduction is asserted as Good Reason) ("Base Salary"), plus (b) your target annual incentive under the Boise Incentive and Performance Plan (or any substitute plan) for the year in which occurs either the Date of Termination (or, in the case of a Qualifying Early Termination, your last day of employment) or change in control of Boise, whichever is greater, without regard to any reduction in the target incentive that would constitute Good Reason (whether or not any reduction is asserted as Good Reason) ("Target Bonus");

(3) To the extent not already paid, a lump sum amount equal to the greater of the value of your unused and accrued time off, less any advanced time off, in accordance with the Company's Paid Time Off Policy (or any successor policy) as in effect immediately prior to the change in control of Boise or as in effect on the Date of Termination (or, in the case of a Qualifying Early Termination, as in effect on your last day of employment), whichever is more favorable to you;

B. The Company shall, at its sole discretion, comply with either subsection (1) or (2) below:

(1) for a 12-month [36-month for SVPs and above] period following the Date of Termination, maintain, in full force and effect for your continued benefit, all life (other than the Boise Cascade Corporation Supplemental Life Plan), disability, accident and healthcare insurance plans, programs, or arrangements, and financial counseling services in which you were participating immediately prior to the change in control of Boise (or in the case of a Qualifying Early Termination, immediately prior to your last day of employment), or, if more favorable to you, the plans, programs, or arrangements in which you were participating immediately prior to the Date of Termination, or

(2) not later than the 5th day following the date the release required pursuant to Section 8.D becomes effective, pay you a lump sum payment equal to twelve [thirty-six] times 150% of the sum of (a) the monthly group premium for the life (other than supplemental life), disability, accident and healthcare insurance plans, programs, or arrangements, and (b) the monthly allowance for financial counseling services, in each case in which you were participating immediately prior to the change in control of Boise (or in the case of a Qualifying Early Termination, immediately prior to your last day of employment), or, if more favorable to you, the plans, programs, or arrangements in which you were participating immediately prior to the Date of Termination.

If the Company chooses to provide the benefits indicated under subsection (1), and your continued participation (or a particular type of coverage) is not possible or becomes impossible under the general terms and provisions of the plans, programs or arrangements, then the Company shall arrange to provide you with benefits, at substantially the same cost to you as determined immediately prior to your last day of employment, which are substantially similar to those which you are entitled to receive under such plans, programs and arrangements.

Notwithstanding the foregoing, the Company shall continue to pay the company-paid premium under the Boise Cascade Corporation Supplemental Life Plan (or a successor plan) for thirty-six months following the Date of Termination.

For a Qualifying Early Termination, any portion of the period commencing on the day after your last day of employment through and including the Date of Termination during which the Company provides you with benefit continuation or pays the company-paid premium under the Boise Cascade Corporation Supplemental Life Plan (or a successor plan) will apply toward the payment period required above.

C. In addition to the aggregate retirement benefits to which you may be entitled under Boise's qualified plan, Boise's Supplemental Pension Plan, any other nonqualified pension agreement or arrangement (excluding Boise's Supplemental Early Retirement Plan), or any successor plans, the Company shall pay you amounts equal to (1), (2), (3), or (4), whichever is applicable:

(1) If you have satisfied the service, but not the age, requirements of Boise's Supplemental Early Retirement Plan (the "SERP"), as in effect immediately prior to the change in control of Boise, you shall receive a monthly benefit, commencing on your 55th birthday equal to the benefit to which you would have been entitled under the SERP, as in effect immediately prior to the change in control of Boise, had you satisfied the age and service requirements as of the Date of Termination; or

(2) If you have satisfied the age, but not the service, requirement of the SERP, as in effect immediately prior to the change in control of Boise, 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 SERP, as in effect immediately prior to the change in control of Boise, had you satisfied the age and service requirements as of the Date of Termination; or

(3) If you have satisfied neither the age nor the service requirements of the SERP, as in effect immediately prior to the change in control of Boise, you shall receive a monthly benefit, commencing on your 55th birthday equal to the benefit to which you would have been entitled under

the SERP, as in effect immediately prior to the change in control of Boise, had you satisfied the age and service requirements as of the Date of Termination; or

(4) If you have satisfied both the age and the service requirements of the SERP, as in effect immediately before the change in control of Boise, you shall receive the benefits to which you are entitled under the SERP.

Solely for purposes of calculating the amount of the benefit to which you would have been or are entitled under the SERP pursuant to subsections (1) through (4) above, you shall be deemed

to have (i) accrued an additional two [*three for SVPs and above*] years of service credit under the Boise Cascade Corporation Pension Plan for Salaried Employees (the "Pension Plan") following the actual date of your termination of employment, and (ii) earned compensation for each additional year of service (without giving effect to limitations in the Pension Plan on the amount of compensation which may be taken into account in calculating the benefit under that plan) equal to the sum of the Base Salary and the Target Bonus. This paragraph shall only apply if the change in control of Boise which gives rise to the obligations under this Section 5 occurs on or before December 31, 2003. If the change in control of Boise occurs after December 31, 2003, the benefit payable under subsections (1) through (4) above shall be calculated without regard to this paragraph.

The benefits under this Section 5.C 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 SERP as in effect immediately prior to the change in control of Boise.

For purposes of this Section 5.C, with respect to a Qualifying Early Termination, references to the terms of the SERP as in effect immediately prior to a change in control of Boise shall mean the terms of the SERP as in effect immediately prior to your last day of employment.

D. You shall not be required to mitigate the amount of any payment provided for in this Section 5 by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in Sections 5.A and/or 5.C 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 5.B(1) shall be reduced to the extent comparable benefits are actually received by you during the 12-month [36-month] period following your termination, and you must report any such benefits actually received by you to the Company.

6. *Legal Fees.* The Company shall pay to you all reasonable legal fees and expenses which you incur (a) as a result of your termination (including any legal fees and expenses incurred in contesting or disputing your termination), (b) in seeking in good faith to obtain or enforce any right or benefit provided by this Agreement, or (c) in connection with any tax audit or proceeding to the extent applicable to the application of Section 4999 of the Internal Revenue Code of 1986 as amended, to any payment or benefit provided under this Agreement. This payment shall be made within 10 business days after the Company receives your written request for payment accompanied by reasonable evidence of fees and expenses incurred.

7. *Protective Limitation.*

A. Notwithstanding any provision of this Agreement to the contrary, if you would receive payments under this Agreement or under any other plan, program, or policy sponsored by the Company; which relate to a change in control of Boise (the "Total Payments") and which are determined by the Company to be subject to excise tax under Section 4999 of the Code (the "Excise Tax"); then the Company shall pay to you an additional amount (the "Gross-up Payment") such that the net amount retained by you, after deduction of any Excise Tax on the Total Payments and any federal, state and local income and employment taxes, and Excise Tax upon the Gross-up Payment, shall be equal to the Total Payments.

B. For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (1) all of the Total Payments shall be treated as "parachute payments" (within the meaning of Section 280G(b)(2) of the Code) unless, in the Company's opinion, such payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of Section 280G(b)(4)(A) of the Code, and (2) all "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax unless, in the Company's opinion, such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered (within the meaning of Section 280G(b)(4)(B) of the Code) in excess of the base amount allocable to such reasonable

compensation, or are otherwise not subject to the Excise Tax. For purposes of determining the amount of the Gross-up Payment, you will be deemed to pay federal income tax at the highest marginal rate of federal income taxation in the calendar year in which the Gross-up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of your residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

C. The Company will pay you the amount of the Gross-Up Payment as soon as the amount can be determined but in no event later than the 30th day after the Date of Termination. At the time that payments are made under this Agreement, the Company shall provide you with a written statement setting forth the manner in which the payments were calculated and the basis for the calculations including, without limitation, any opinions or other advice the Company has received from its tax counsel, its auditor, or other advisors or consultants (and any opinions or advice which are in writing shall be attached to the statement).

D. If the Excise Tax is finally determined to be less than the amount taken into account in calculating the Gross-up Payment, you shall repay to the Company, within 5 business days following the time that the amount of the reduction in Excise Tax is finally determined, the portion of the Gross-up Payment attributable to the reduction (plus that portion of the Gross-up Payment attributable to the Excise Tax and federal, state, and local income and employment taxes imposed on the Gross-up Payment being repaid by you, to the extent that such repayment results in a reduction in the Excise Tax and a dollar-for-dollar reduction in your taxable income and wages for purposes of federal, state, and local income and employment taxes). If the Excise Tax is determined, for any reason, to exceed the amount taken into account in calculating the Gross-up Payment, the Company shall make an additional Gross-up Payment in respect of the excess (including any interest, penalties, or additions payable by you with respect to the Excise Tax) within 5 business days following the time that the amount of the excess is finally determined. You and the Company shall reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to the Total Payments.

8. *Employee Covenants; Release.*

A. You agree that you will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, other than in the course of your assigned duties and for the benefit of the Company, either during the period of your employment or at any time thereafter, any nonpublic, proprietary or confidential information, knowledge or data relating to the Company, any of its subsidiaries, affiliated companies or businesses, which you obtained during your employment by the Company. This restriction will not apply to information that (i) was known to the public before its disclosure to you; (ii) becomes known to the public after disclosure to you through no wrongful act of yours; or (iii) you are required to disclose by applicable law, regulation or legal process (provided that you provide the Company with prior notice of the contemplated disclosure and reasonably cooperate with the Company at its expense in seeking a protective order or other appropriate protection of such information).

B. During your employment with the Company and for one year after your termination, you agree that you will not, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, knowingly solicit, aid or induce any managerial level employee of the Company or any of its subsidiaries or affiliates to leave employment in order to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or knowingly take any action to materially assist or aid any other person, firm, corporation or other entity in identifying or hiring any such employee.

C. You agree that during and after your employment with the Company you shall not make any public statements that disparage the Company, its respective affiliates, employees, officers, directors, products or services. Notwithstanding the foregoing, statements made in the course of

sworn testimony in administrative, judicial or arbitral proceedings (including, without limitation, depositions in connection with such proceedings) shall not be subject to this Section 8.C.

D. Notwithstanding anything in this Agreement to the contrary, the payment to you of the benefits provided in Section 5 is conditioned upon your execution and delivery to the Company (and your failure to revoke) a customary general release of claims.

9. *Deferred Compensation and Benefits Trust.* Boise has established a Deferred Compensation and Benefits Trust and shall comply with the terms of that Trust.

For this purpose, the term Deferred Compensation and Benefits Trust shall mean an irrevocable trust or trusts established or to be established by Boise 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 Boise's creditors in the event of bankruptcy or insolvency.

10. *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 succession had taken place. Failure of the Company to obtain an assumption and agreement prior to the effectiveness of any succession which occurs during your employment with the Company and the term of this Agreement 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 experience a Qualifying Termination or Qualifying Early Termination, except that for purposes of this Section 10.A, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean Boise Cascade Office Products Corporation and any successor to its business and/or assets which assumes and agrees to perform this Agreement.

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 under this Agreement if you had continued to live, all such amounts, unless otherwise provided in this Agreement, 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, provided that the Company is entitled to seek equitable relief in a court of competent jurisdiction in connection with the enforcement of the covenants set forth in Section 8. Under no circumstance will a violation or alleged violation of those covenants entitle the Company to withhold or offset a payment or benefit due under this Agreement.

11. *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 Director 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 with this Section 11, except that notice of change of address shall be effective only upon receipt.

12. *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 an officer

designated by the Director. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by the 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 of this Agreement have been made by either party which are not expressly set forth in this Agreement. All references to sections of the Exchange Act or the Code shall be deemed also to refer to any successor provisions to those sections. If the obligations of the Company under Sections 4, 5, 6, and 7 arise prior to the expiration of the term of this Agreement, those obligations shall survive the expiration of the term.

13. *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.

14. *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.

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

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

17. *Other Benefits.* Any payments made to you pursuant to this Agreement 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, except that payments made to you pursuant to Section 5.A(2) shall be in lieu of any severance payment to which you would otherwise be entitled under any severance pay policy of the Company and payments made to you pursuant to Section 5.C shall be in lieu of any payments under the SERP.

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 OFFICE PRODUCTS
CORPORATION

BOISE CASCADE CORPORATION

By _____
J. W. Holleran
As Sole Director

By _____
J. W. Holleran, Senior Vice President
and General Counsel

Agreed to this [] day of [], 200

[Name]

QuickLinks

[Exhibit 10.22](#)

BOISE CASCADE CORPORATION

2001 KEY EXECUTIVE DEFERRED COMPENSATION PLAN

(As Amended Through September 26, 2003)

1. *Purpose of the Plan.* The purpose of the Boise Cascade Corporation 2001 Key Executive Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing a select group of senior management and highly compensated employees of the Company and its subsidiaries the opportunity to defer a portion of their cash 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.

2. *Definitions.*

2.1 *Bonus.* The payout amount earned by a Participant under an incentive plan of the Company, including, without limitation, the Key Executive Performance Plans, division incentive plans, and the 2003 Boise Incentive and Performance Plan, but only to the extent the award is payable in cash.

2.2 *Change in Control.* 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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.2(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.2(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.2(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.2(c)(i) (a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

(e) For purposes of this Section and Section 2.13, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(f) For purposes of this Section and Section 2.13, "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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.3 *Committee.* The Executive Compensation Committee of the Company's board of directors, or any successor to the Committee.

2.4 *Compensation.* A Participant's Salary and Bonus. Compensation (either Salary or Bonus) 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 the acquisition, exercise, or vesting of any stock appreciation right, stock bonus, restricted stock, phantom stock, performance stock, or similar stock-based award under any of the Company's incentive plans, except to the extent (i) the award is payable in cash, or (ii) the Committee determines that the award shall be included in Compensation for purposes of this Plan.

2.5 *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 or any subsidiary, partnership, or joint venture of the Company. The determination of whether a business is a Competitor shall be made by the Company's General Counsel, in his or her sole discretion.

2.6 *Deferred Account.* The record maintained by the Company for each Participant of the cumulative amount of (a) account balances accumulated under other deferred compensation plans or programs of the Company which are merged into this Plan, as listed in Appendix A, (b) Compensation deferred pursuant to this Plan, (c) the amount of any Company matching allocation, and (d) imputed gains or losses on those amounts accrued as provided in Sections 4.8 and 4.9.

2.7 *Deferred Compensation Agreement.* Collectively, the written agreements between a Participant and the Company in substantially the form set forth in Appendix B, whereby a Participant irrevocably agrees to defer a portion of his or her Salary and/or Bonus (a Deferral Election Agreement) and the Company agrees to make benefit payments in accordance with the provisions of the Plan (a Distribution Election Agreement).

2.8 *Deferred Compensation and Benefits Trust.* The irrevocable trust (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.9 *Executive Officer.* An executive officer of the Company identified as such by the Company's board of directors.

2.10 *Investment Account.* Any of the accounts identified by the Company from time to time, described in Exhibit A, to which Participants may allocate all or any portion of their Deferred Accounts for purposes of determining the gains or losses to be assigned to the Deferred Accounts.

2.11 *Participant.* A Key Executive (as defined in Section 4.1) 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" shall be deemed to have occurred if (a) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (b) 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; (c) 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, provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 9.5% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; or (d) the Board adopts a resolution to the effect that a Potential Change in Control has occurred.

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 *Salary.* A Participant's salary, commission, 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.

2.16 *Stock Unit.* A notional account unit equal in value to one share of the Company's common stock.

2.17 *Termination.* 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, provided that transfer from the Company to a subsidiary or vice versa shall not be deemed a Termination for purposes of this Plan.

2.18 *Year of Service.* A Year of Service as accumulated under the Pension Plan.

3. *Administration and Interpretation.* The Company, acting through its senior human resources officer or his or her delegates, shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Company may also adopt any rules it deems necessary to administer the Plan. The Company's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Company with respect to those responsibilities, unless limited in writing by the Company. Any Participant may appeal any action or decision of these employees to the Company's senior human resources officer. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Sections 10 and 11. Any interpretation by the Company's senior human resources officer shall be final and binding on the Participants.

4. *Participant Deferral and Distribution Elections.*

4.1 *Eligibility.* The Company shall identify those employees of the Company or any of its subsidiaries, including Executive Officers, who are eligible to participate in this Plan ("Key Executives"). Eligibility to participate in the Plan is entirely at the discretion of the Company and shall be limited to a select group of senior management or highly compensated employees. Eligibility to participate in this Plan for any calendar year shall not confer the right to participate during any subsequent year.

4.2 *Execution of Agreement.* A Key Executive who wishes to participate in the Plan must execute a Deferred Compensation Agreement(s) either (a) for newly eligible individuals, within 30 days after first becoming eligible to participate in the Plan to defer Salary and/or Bonus to be earned during the remainder of that calendar year and subsequent years, or (b) prior to January 1 of the first calendar year for which the Deferred Compensation Agreement(s) will be effective.

4.3 *Deferral Election.* Within limits established by the Company, each Key Executive shall have the opportunity to elect the amount of his or her Compensation to be paid in calendar years subsequent to the date of election, which will be deferred in accordance with this Plan. The Compensation otherwise paid to a Participant during each calendar year beginning after the date of the deferral election shall be reduced by the amount elected to be deferred. Elections to defer Compensation are irrevocable except as otherwise provided in this Plan. The amount of Compensation to be deferred will be specified in the Deferred Compensation Agreement(s), must be at least 6% of the Participant's Compensation, and will be limited to specified maximum percentages of the Participant's Compensation.

4.4 *Change of Deferral Election.*

(a) A Participant who wishes to change an election to defer Compensation may do so at any time by notifying the Company's compensation manager in writing prior to January 1 of the year for which the change in election is to be effective.

(b) A Participant who wishes to change an election to defer Compensation after January 1 of any calendar year for which the change in election is to be effective must submit a written request to the Company's compensation manager to revoke his or her deferral election. The request must state why the Participant believes he or she should be permitted to revoke the prior election. Requests will be reviewed as soon as administratively feasible and, if a change is permitted, the change will be effective for all remaining pay periods following the date of the determination.

4.5 *Distribution Election.* At the time a Participant first elects to defer Compensation under Section 4.3, he or she shall elect a distribution option for the Compensation so deferred, including gains or losses thereon, as specified in the Deferred Compensation Agreement. The distribution election shall apply to all amounts attributable to the Participant's Deferred Account under this Plan, including amounts previously deferred under plans listed under Appendix A which have been merged into this Plan. Elections regarding distribution of Deferred Accounts under this Plan are irrevocable except as otherwise provided in this Plan.

4.6 *Change of Distribution Election.* Participants who are active employees on February 14, 2003, may, by written request, change their distribution election one time provided the change is submitted on or before June 1, 2003, and is at least 12 months prior to the commencement of distribution of the Participant's Deferred Account. This request must be received by June 1, 2003, and the Participant must sign an acknowledgement, on the form provided by the Company, in which the Participant agrees to the terms of the Plan as in effect on February 14, 2003, with respect to his or her entire Deferred Account. In addition, all Participants are entitled to request, in writing, a one-time change in their distribution election at any time on or after June 1, 2003. The changed distribution election must be one of the distribution options in the original Deferred Compensation Agreement. The Company must receive the request at least 12 months prior to the commencement of distribution of the Participant's Deferred Account. The Company shall approve the request if it meets the requirements of this section. Requests received less than 12 months prior to the commencement of distribution shall not be permitted. Additional requests by a Participant to change his or her distribution election made after a prior request has been approved shall be denied, except as provided in this Section.

4.7 *Company Matching Contribution.* A Participant may elect to have the Company allocate to the Participant's Deferred Account in this Plan an additional amount equal to the Company matching contribution that would otherwise be made to the Participant's account in the Savings and Supplemental Retirement Plan (assuming a 6% Participant contribution to that plan). The Company matching contribution will be allocated to the Investment Account to which the Participant's deferrals of Compensation are allocated.

4.8 *Deferred Account Allocations and Adjustments.* The Company shall maintain a record of each Participant's Deferred Account balance and allocations. Each Participant (a) must allocate his or her current deferrals of Compensation to one of the Investment Accounts, and (b) may, from time to time, choose to change the allocation of his or her current deferrals of Compensation to a different Investment Account.

4.8.1 Each Participant's Deferred Account shall be adjusted on a monthly basis to reflect the gains or losses attributable to the Investment Account(s) selected by the Participant. Interest earned will be credited to a Participant's account on the last day of each month. Computation of the gains or losses of the Investment Accounts shall be at the Company's sole discretion.

4.8.2 Participants who are active employees may change the allocation of future deferrals to or from any Investment Account, other than the Stock Unit Account, on any business day, with any change effective as of the first pay period beginning after the date of the change.

4.8.3 A Participant's Deferred Account balance carried forward into this Plan from any plan listed on Appendix A shall be allocated to the Stable Value Account, except that any portion of the Participant's Deferred Account balance which was invested in a notional stock account in the prior plan shall be allocated to the Stock Unit Account. Amounts allocated to the Stock Unit Account under this section shall initially represent a number of Stock Units equal to the number of notional stock units represented in the Participant's deferred account under the prior plan. Thereafter, the Participant's Deferred Account shall be maintained according to the terms of this Plan. For vesting purposes under this Plan, a Participant's Deferred Account shall be deemed to have first been credited with Stock Units on the same date the Participant's account under the prior plan was first credited with Stock Units.

4.8.4 Participants who are active employees, or who are terminated employees under Sections 5.2.2 or 5.2.3, may shift the allocation of all or any portion of their Deferred Account balance among any of the Investment Accounts, other than the Stock Unit Account or the Stable Value Account, on any business day, with any change effective as of the next business day.

4.8.5 Deferred Account balances allocated to the Stable Value Account may not be allocated to any other Investment Account.

4.9 *Stock Unit Account.* Each Participant who is an Executive Officer shall have the opportunity to allocate all or a portion of his or her current deferrals of Compensation to the Stock Unit Account under the terms and conditions set forth in this Section 4.9.

4.9.1 Each Executive Officer who is a Participant may elect at any time, and from time to time, to have his or her Deferred Account credited with allocated Stock Units, with the election effective beginning with the first pay period after the Company receives the Participant's valid written election. Under no circumstances, however, may elections to allocate deferred Compensation or Deferred Account balances to the Stock Unit Account be made or changed more frequently than once in any 4-month period. If a Participant timely elects to have his or her Deferred Account credited with Stock Units, then on the date on which the Compensation would otherwise have been paid to the Participant, the Participant's Deferred Account shall be credited with the number of Stock Units equal to (i) 100% of the amount of such deferred Compensation ("Participant Stock Units"), plus (ii) 25% of the amount of such deferred Compensation ("Company Matching Stock Units"). Each Stock Unit shall have an initial value based on the closing price of the Company's common stock on the New York Stock Exchange ("NYSE") on that date (or, if the common stock is not traded on the NYSE on that date, on the immediately preceding trading day) or another generally accepted pricing standard chosen by the Company. Alternatively, the Company may, in its sole discretion, choose to credit Stock Units to a Participant's Deferred Account on the last business day of each quarter, in which case each Stock Unit so credited shall have an initial value based on the average of the closing price of the Company's stock on the NYSE on each of the days during the preceding quarter on which Compensation deferred into the Stock Unit Account would otherwise have been paid to the Participant (or, if the common stock is not traded on the NYSE on that day, the immediately preceding trading day) or another generally accepted pricing standard chosen by the Company. In either case, thereafter, each Stock Unit shall have a value equal to the market value of one share of the Company's common stock. Except as provided in Sections 4.9.4 or 4.9.5, Stock Units must be held for a minimum of 6 months from the date on which they are first credited to the Participant's account. Participants may not sell, transfer, assign, alienate, or pledge Stock Units.

4.9.2 If a Participant elects to allocate his or her deferrals of Compensation to the Stock Unit Account, then on each dividend payment date for the common stock, additional Stock Units shall be credited to the Participant's Deferred Account ("Dividend Equivalent Stock Units"). Dividend Equivalent Stock Units shall (a) be equal in value to the imputed dividend on each Stock Unit credited to the Participant's account as of the record date for that dividend; (b) be allocated, as appropriate, to either the Participant Stock Units or the Company Matching Stock Units credited to the Participant's Deferred Account; and (c) vest in accordance with the vesting of the underlying Stock Units to which they are allocated.

4.9.3 A Participant shall be fully vested in his or her Participant Stock Units, including allocated Dividend Equivalent Stock Units, at all times. Vesting in Company Matching Stock Units, including allocated Dividend Equivalent Stock Units, shall be as follows: (a) 100% upon the Participant's death, total disability, or retirement (normal or early); (b) 100% upon a Change in Control; (c) 100% upon the Participant's involuntary termination (other than a termination for "Disciplinary Reasons" as that term is used in Corporate Policy 10.2, Termination of Employment) or termination as a direct result of the sale or permanent closure of a facility, operating unit, or division of the Company; or (d) for termination of employment for all other reasons (including voluntary terminations), 20% (cumulative) on each anniversary of the date the Participant's account was first credited with Stock Units under this Plan.

4.9.4 Upon the occurrence of a Potential Change in Control or a Change in Control, shares of Common Stock equal to the number of Stock Units in all Participants' Deferred Accounts may, in the Company's sole discretion, be transferred to the Trustee of the DCB Trust to be held in accordance with the terms of the DCB Trust and this Plan. Upon a Change in Control, all Stock Units credited to a Participant's Deferred Account shall be converted to Stock Units of equivalent value payable in the common stock of the successor entity to the Company, as follows: if the Change in Control involves the merger or sale of the entire Company or a tender offer for all the outstanding Common Stock, conversion shall be at the conversion, sale, or exchange price applicable to the Common Stock in connection with such Change in Control. Any shares of Common Stock held by the Trustee shall be converted to shares of common stock of the successor entity (if any) at the same conversion value as described in this Section 4.9.4. Following a Change in Control and after public disclosure of at least 30 days financial results of the consolidated entity, each Participant may elect, at any time or from time to time, to convert all or any portion of his or her Stock Unit Account to a dollar equivalent, have that amount credited to the Stable Value Account, and have such amount credited thereafter with the applicable interest rate. If a Participant makes such an election, the Trustee shall sell, into the open market, shares of stock attributable to Stock Units in such Participant's Deferred Account previously acquired and held pursuant to this Section 4.9.4, if any, and shall hold, invest, and reinvest the proceeds of such sale in accordance with the terms of the DCB Trust. If the Change in Control does not involve the merger or sale of the entire Company or a tender offer for all the outstanding Common Stock, Stock Units shall be converted to a dollar equivalent at the highest trading price of the Company's Common Stock during the 20-day period immediately preceding the date of the Change in Control and credited to the Stable Value Account.

4.9.5 If the Participant's Deferred Account is credited with Stock Units, the Participant shall be paid the value of all vested Stock Units in his or her Deferred Account in accordance with the Participant's election under his or her Deferred Compensation Agreement and in the form of the Company's Common Stock (or, if applicable, in accordance with Section 4.9.4 or Section 5.9). If a Participant's Deferred Account is credited with Stock Units and the Participant terminates employment and is eligible for a distribution, but shares of Common Stock are not then available for distribution, the Company may elect, in its sole discretion, to delay the distribution until shares become available.

5. Distributions.

5.1 *Distributions in General.* The Company shall distribute Participants' Deferred Accounts as elected by each Participant in the applicable Deferred Compensation Agreement, except as otherwise provided in this Section 5, or, with respect to Stock Units, as provided in Section 4.9.

5.2 *Plan Benefits Upon Termination.*

5.2.1 Upon Termination for reasons other than death or disability prior to satisfying the Rule of 70 or attaining age 55 with 10 or more Years of Service, the Participant's entire Deferred Account (with the exception of any amounts allocated to the Stock Unit Account) shall be automatically allocated to the Stable Value Account, notwithstanding any elections or allocation decisions previously made by the Participant. In addition, the imputed interest rate on the Participant's Deferred Account shall be adjusted, effective as of the date of Termination, to a rate equal to Moody's. That rate shall apply prospectively from the date of Termination to all undistributed amounts of the Participant's Deferred Account. From and after the date of Termination, the Participant shall have no rights under this Plan to alter the Investment Account to which his or her Deferred Account is allocated. Distributions under this Section 5.2.1 shall be made according to the election specified in the Participant's Deferred Compensation Agreement.

5.2.2 Upon Termination for reasons other than disability, after satisfying the Rule of 70 or attaining age 55 with 10 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, as elected by the Participant in his or her Deferred Compensation Agreement. 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 shall continue to be credited with imputed gains or losses based on the applicable Investment Account. Deferred Account balances allocated to the Stable Value Account under this section shall continue to be credited with imputed interest at Moody's times 130%, consistent with Exhibit A.

5.2.3 If a Participant terminates employment 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 the request, notwithstanding any prior distribution election. The Company may, in its sole discretion, approve or deny the request. Deferred Account balances allocated to the Stable Value Account under this section shall continue to be credited with imputed interest at Moody's times 130%, consistent with Exhibit A.

5.3 *Service With A Competitor.* If a Participant provides services for remuneration to a Competitor following his or her Termination, then notwithstanding anything in this Plan to the contrary, the Participant's entire Deferred Account balance shall be distributed in a single lump sum as soon as administratively feasible.

5.4 *Hardship Distribution.* If serious and unanticipated financial hardship occurs, a Participant may request termination of participation in the Plan and a lump-sum distribution of all or a portion of his or her Deferred Account balance. The Participant shall document, to the Company's satisfaction, that 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 necessary to satisfy the financial need. The Participant shall sign all documentation requested by the Company relating to the distribution. Any Participant whose participation in the Plan terminates under this Section shall not be eligible to participate in any

nonqualified deferred compensation plan maintained by the Company for a period of 12 months following the date of the 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 in writing a single lump-sum payment of the amount credited to his or her Deferred Account under the Plan. The amount of the payment shall be equal to (a) the Participant's Deferred Account balance under the Plan as of the payment date, reduced by (b) an amount equal to 10% of the Deferred Account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. The payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a Participant makes a request under this Section, he or she 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 the request, and 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 that 12-month period.

5.6 *Distribution Upon Extraordinary Events.* If any Participant terminates employment with the Company as a direct result of the sale, closure, or divestiture of a facility, operating division, or reduction in force in connection with any reorganization of the Company's operations or staff, the Participant may request a lump sum distribution of his or her entire Deferred Account balance without penalty. 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 the request, distribution of the Participant's Deferred Account balance shall occur on or about January 1 of the year following the year during which Termination occurred.

5.7 *Small Account Distributions.* On the date of Termination, if a Participant's Deferred Account balance is less than \$7,500, the Company shall promptly distribute the entire Deferred Account balance in a lump sum to the Participant, regardless of Participant's distribution election, and the Participant shall have no further rights or benefits under this Plan.

5.8 *Distributions Following Participant Death; Designation of Beneficiary.* The Company shall make all payments to the Participant, if living. A Participant shall designate a beneficiary by filing a written notice of designation with the Company in such form as the Company may prescribe. If a Participant dies either before benefit payments have commenced under this Plan or after his or her benefits have commenced but before his or her entire Deferred Account has been distributed, his or her designated beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement. If no designation is in effect when any benefits payable under this Plan become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the Participant's estate.

5.9 *Distributions after a Change in Control.* The provisions of this Section 5.9 shall apply upon a Change in Control.

5.9.1 For Participants who are employed by the Company at the time of the Change in Control: (a) all amounts in the Stable Value Account (including amounts credited to the Stable Value Account pursuant to Section 4.9.4) shall be credited with imputed interest at an annualized rate equal to Moody's times 130% for up to three years after the date of the Change in Control, and (b) for amounts remaining in the Stable Value Account after the third anniversary of the date of the Change in Control, the imputed interest rate shall be reduced to Moody's for up to the next seven years.

5.9.2 For Participants who terminated employment with the Company prior to the Change in Control and who have a Deferred Account balance at the time of the Change in Control, (a) if, according to Section 5.2, the Participant is entitled to imputed interest at an annualized rate equal to Moody's times 130%, then Section 5.9.1 shall apply to his or her balance in the Stable Value Account, and (b) if, according to Section 5.2, the Participant is entitled to

imputed interest at an annualized rate equal to Moody's on the amounts in the Stable Value Account, then this Section 5.9 shall not change the rate of imputed interest applicable to the Participant's balance.

5.9.3 Payment of a Participant's Deferred Account balance shall be made according to the Participant's distribution election, except that to the extent that the balance is not fully paid out within ten years after the date of the Change in Control, the entire remaining balance, less any amounts required by law to be withheld, shall be paid to the Participant in a lump sum as soon as practical after the tenth anniversary of the date of the Change in Control.

5.9.4 Any Participant whose employment is involuntarily terminated for any reason other than disciplinary reasons within three months prior to the date of the Change in Control shall be deemed, solely for purposes of this Section 5.9, to be employed by the Company until the occurrence of the Change in Control and to have been terminated immediately thereafter.

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, as described in Section 5.8.

6.2 *Taxes.* The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

6.3 *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 may prescribe. Such communication shall be effective upon receipt by the Company's compensation manager at 1111 West Jefferson Street, PO Box 50, Boise, Idaho 83728.

6.4 *Service Providers.* The Company may, in its sole discretion, retain one or more independent entities to provide services to the Company in connection with the operation and administration of the Plan. Except as may be specifically delegated or assigned to any such entity in writing, the Company shall retain all discretionary authority under this Plan. No Participant or other person shall be a third party beneficiary with respect to, or have any rights or recourse under, any contractual arrangement between the Company and any such service provider.

7. *Amendment and Termination.* The Committee may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

8. *Unsecured General Creditor.* Except as provided in Section 9, 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. The 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 an unfunded and unsecured promise of the Company to pay money in the future.

9. *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may, in addition to any contributions of stock made with respect to Stock Units pursuant to Section 4.9.4, transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits

under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

10. *Claims Procedure.*

10.1 *In General.* Claims for benefits under the Plan, other than claims for disability benefits under Section 5.2.3, shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's compensation manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days for special circumstances by the compensation manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

10.2 *Disability Claims.* Claims for disability benefits under Section 5.2.3 of the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with the Company's compensation manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 45 days after the application is filed. This 45-day period may be extended for up to two additional 30-day periods by the compensation manager, in his or her sole discretion, in each case for reasons beyond the Plan's control and by providing written notice of the extension to the claimant prior to the expiration of the current period. If additional information is needed from the Participant in order to make a decision on the claim, the Manager will notify the Participant of the information needed and the Participant will have 45 days to provide the requested information. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,
- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits,
- if an internal rule or guideline was relied upon, state that an internal rule or guideline was relied upon and that a copy of the rule or guideline will be provided at no charge upon request,

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- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
 - state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

11. *Claims Review Procedure.*

11.1 *In General.* Any Participant, former Participant, or Beneficiary of either, who has been denied a benefit claim, other than a claim for disability benefits under Section 5.2.3 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or her claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 10.1, and shall be filed with the Company's compensation manager. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

11.2 *Disability Claims.* Any Participant, former Participant, or Beneficiary of either, who has been denied a claim for Disability benefits under Section 5.2.3 of the Plan, shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or her claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records or information that the claimant believes relevant to his or her claim, shall be filed with the Company's compensation manager no later than 180 days after receipt of the written notification provided for in Section 10.2. The Manager shall promptly inform the Company's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 45 days after receiving the claimant's request for review. This 45-day period may be extended an additional 45 days if special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 45-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,

- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim,
- indicate whether any rule, guideline, protocol or criterion was relied on in the decision and, if so, that a copy of such rule, guideline, protocol or criterion will be provided at no charge upon request,

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- if the denial is based on a medical necessity or experimental treatment exclusion, state that an explanation of the scientific or clinical judgment, applying the terms of the plan to the claimant's circumstances, will be provided at no charge upon request, and
 - state the claimant's right to bring an action under section 502(a) of ERISA.

12. *Lawsuits, Jurisdiction, and Venue.* No lawsuit claiming entitlement to benefits under this Plan may be filed prior to exhausting the claims and claims review procedures described in Sections 10 and 11. Any such lawsuit must be initiated no later than (a) one year after the event(s) giving rise to the claim occurred, or (b) 60 days after a final written decision was provided to the claimant under Section 11, whichever is sooner. Any legal action involving benefits claimed or legal obligations relating to or arising under this Plan may be filed only in Federal District Court in the city of Boise, Idaho. Federal law shall be applied in the interpretation and application of this Plan and the resolution of any legal action. To the extent not preempted by federal law, the laws of the state of Delaware shall apply.

13. *Effective Date of Plan.* This Plan shall become effective as of January 1, 2001.

EXHIBIT A

INVESTMENT ACCOUNTS

1. *Stable Value Account.* Deferred Accounts allocated to this account shall be credited, while the Participant is actively employed with the Company, with imputed interest equal to an annualized rate of interest equal to 130% of Moody's Composite Average of Yields on Corporate Bonds ("Moody's") as determined each month from Moody's Bond Record (as 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 by the Company, in its sole discretion. Moody's, for purposes of this Plan, shall be based for any given month on such published rate for the immediately preceding calendar month. Upon Termination, Deferred Accounts allocated to this account shall be credited with either Moody's times 130% or with Moody's, as provided in Section 5.2 of the Plan.

2. *Stock Unit Account (Executive Officers Only).* Deferred Accounts allocated to this account shall be credited with Stock Units as though Compensation, as it is earned and deferred, had been used to purchase shares of the Company's common stock as provided in Section 4.9 of the Plan.

APPENDIX A

List of Deferred Compensation Plans/Programs Merged into the 2001 Key Executive Deferred Compensation Plan

- Boise Cascade Corporation 1982 Executive Officer Deferred Compensation Plan*
- Boise Cascade Corporation 1986 Executive Officer Deferred Compensation Plan
- Boise Cascade Corporation 1995 Executive Officer Deferred Compensation Plan
- Boise Cascade Corporation 1987 Key Executive Deferred Compensation Plan
- Boise Cascade Corporation 1995 Key Executive Deferred Compensation Plan
- Boise Cascade Corporation Key Executive Performance Plan for Executive Officers (deferral option)*
- Boise Cascade Corporation Key Executive Performance Plan for Key Executives (deferral option)*
- Boise Cascade Office Products Corporation 1995 Executive Officer Deferred Compensation Plan
- Boise Cascade Office Products Corporation 1995 Key Executive Deferred Compensation Plan
- Boise Cascade Office Products Corporation Key Executive Deferred Compensation Plan
- Boise Cascade Office Products Corporation Key Executive Performance Plan (deferral option)*
- Boise Cascade Office Products Corporation Retention and Incentive Plan (deferral option)*

* indicates merger of plans only to extent of participant elections to transfer accrued liabilities to this Plan.

NOTE: Plan merger is effective only with respect to active employees. All rights of participants and obligations of the Company under the above-listed plans with respect to employees who have terminated employment with the Company or any subsidiary prior to January 1, 2001, shall be as described in those plans. Such

APPENDIX B
Boise Cascade Corporation
Form of Key Executive Deferred Compensation Deferral Election Agreement

THIS AGREEMENT, dated _____, is between BOISE CASCADE CORPORATION (the "Company") and _____ (the "Executive"). The Company designates the Executive as a Participant in the Company's 2001 Key Executive Deferred Compensation Plan (the "Plan"), which is incorporated into this Agreement. The Company and the Executive agree as follows:

Salary Deferral Election

1. I, the Executive, would like to defer a portion of my 2001 Compensation [YES _____] [NO _____] [Initial one]. If Yes, I irrevocably elect to defer receipt of _____% (6% to _____%) of my cash Compensation otherwise payable to me commencing January 1, 2001. **Note: This election will apply to your base Salary and Bonus paid during 2001 and in successive years unless you elect to change this deferral election as provided in the Plan.** You will have the opportunity each year to make a different deferral election for the following year.

Bonus Deferral Election

2. I, the Executive, would like to defer a portion of my Bonus (KEPP, Division Incentive, and/or BCOP Retention Incentive Plan) in addition to the deferral election stated above [YES _____] [NO _____] [Initial one]. If Yes, I irrevocably elect to defer receipt of _____% (6% to 100%) of the Bonus, if any, otherwise payable in 2002 and following years. **Note: You will have the opportunity each year to make a different bonus deferral election on bonus amounts to be paid the following year. Therefore, you may delay making this bonus election until the open enrollment period during 2001.**

Company Matching Contributions

3. The Executive irrevocably elects to have the Company's matching SSRP allocations/contributions made to this Plan in lieu of any matching contributions/allocations to the SSRP. [YES _____] [NO _____] [Initial one]

The Company believes, but does not guarantee, that a deferral election made in accordance with the terms of the Plan is effective to defer the receipt of taxable income. The Executive has been advised to consult with his or her attorney or accountant familiar with the federal and state tax laws regarding the tax implications of this Deferred Compensation Agreement and the Plan.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day first written above.

BOISE CASCADE CORPORATION

EXECUTIVE

By _____

By _____

Boise Cascade Corporation
Form of Key Executive Deferred Compensation Distribution Election Agreement

THIS AGREEMENT, dated _____, is between BOISE CASCADE CORPORATION (the "Company") and _____ (the "Executive"). The Company has designated the Executive as a Participant in the Company's 2001 Key Executive Deferred Compensation Plan (the "Plan"), which is incorporated into this Agreement. The Company and the Executive agree as follows:

Distribution Election. This election will apply to ALL your deferred compensation with Boise Cascade with the exception of pre-2001 Deferred Bonus Accounts that you have decided NOT to roll into this Plan.

1. The Executive elects the following **form of distribution** of his or her Deferred Account balance (choose one):

- _____ A. Lump-sum payment.
- _____ B. Monthly installment payments over a period of _____ years (not to exceed 15 years). Payments will be approximately equal in amount.
- _____ C. Other. Describe in detail below or in an attachment.

2. The Executive elects the following **distribution beginning date** (choose one):

- _____ A. January 1 of the year following Termination of Employment.
- _____ B. The later of age 55 or Termination of Employment.
- _____ C. The later of age 65 or Termination of Employment.
- _____ D. The later of _____ (date) (cannot be later than age 65) or Termination of Employment.

3. If the Executive dies *before* his or her distributions from the Plan begin, the Company will pay the Executive's designated beneficiary the Deferred Account balance as (choose one):

- _____ A. Lump-sum payment.
- _____ B. Monthly installment payments over a period of _____ years (not to exceed 15 years). Payments will be approximately equal in amount.
- _____ C. Other. Describe in detail below or in an attachment.

4. If the Executive dies *after* installment payments have begun, the Company will pay the Executive's designated beneficiary (choose one):

- A. Lump sum of the remaining Deferred Account balance.
- B. The remaining installment payments.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day first written above.

BOISE CASCADE CORPORATION

EXECUTIVE

By _____

By _____

**Boise Cascade Corporation
Form of Deferred Bonus Consolidation Election**

THIS ELECTION, dated _____, is made by _____ (the "Executive"). The Company has designated the Executive as a Participant in the Company's 2001 Key Executive Deferred Compensation Plan (the "Plan"), under which this Election is made. Under the terms of the Plan, the Executive may elect to transfer existing account balances under the deferral option of the Company's Key Executive Performance Plans to this Plan.

Deferred Bonus Consolidation Election

I hereby elect to transfer my Deferred Bonus Account(s) to my Deferred Account under the Plan. I acknowledge that all rights with respect to the Deferred Bonus Account(s) under the terms of the Key Executive Performance Plan(s) will be null and void and that my rights with respect to the deferred compensation represented by those account balances will be governed exclusively by the terms and conditions of the Plan, including but not limited to the distribution election I make or have made under the Plan.

[YES _____] [NO _____] [*Initial one*]

The Executive has executed this Election on the day first written above.

EXECUTIVE

By _____

**Boise Cascade Office Products Corporation
Form of Deferred Bonus Consolidation Election**

THIS ELECTION, dated _____, is made by _____ (the "Executive"). The Company has designated the Executive as a Participant in the Company's 2001 Key Executive Deferred Compensation Plan (the "Plan"), under which this Election is made. Under the terms of the Plan, the Executive may elect to transfer existing account balances under the deferral option of the Company's Key Executive Performance Plans and/or Retention Incentive Plan to this Plan.

Deferred Bonus Consolidation Election:

I hereby elect to transfer my Deferred Bonus Account(s) to my Deferred Account under the Plan. I acknowledge that all rights with respect to the Deferred Bonus Account(s) under the terms of the Key Executive Performance Plan(s) will be null and void and that my rights with respect to the deferred compensation represented by those account balances will be governed exclusively by the terms and conditions of the Plan, including but not limited to the distribution election I make or have made under the Plan.

[YES _____] [NO _____] [*Initial one*]

Deferred Retention Incentive Consolidation Election:

I hereby elect to transfer my Deferred Retention Incentive Account to my Deferred Account under the Plan. I acknowledge that all rights with respect to the Deferred Retention Incentive Account under the terms of the Boise Cascade Office Products Key Executive Retention and Incentive Plan will be null and void and that my rights with respect to the deferred compensation represented by those account balances will be governed exclusively by the terms and conditions of the Plan, including but not limited to the distribution election I make or have made under the Plan.

[YES _____] [NO _____] [*Initial one*]

The Executive has executed this Election on the day first written above.

EXECUTIVE

By _____

Exhibit 10.23

BOISE CASCADE CORPORATION 2001 KEY EXECUTIVE DEFERRED COMPENSATION PLAN (As Amended Through September 26, 2003)

EXHIBIT A INVESTMENT ACCOUNTS

APPENDIX A List of Deferred Compensation Plans/Programs Merged into the 2001 Key Executive Deferred Compensation Plan

APPENDIX B Boise Cascade Corporation Form of Key Executive Deferred Compensation Deferral Election Agreement

Boise Cascade Corporation Form of Key Executive Deferred Compensation Distribution Election Agreement

Boise Cascade Corporation Form of Deferred Bonus Consolidation Election

Boise Cascade Office Products Corporation Form of Deferred Bonus Consolidation Election

BOISE CASCADE CORPORATION

2001 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

(As Amended Through September 26, 2003)

1. *Purpose of the Plan.* The purpose of the Boise Cascade Corporation 2001 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 all or a portion of their cash compensation and thereby encourage their productive efforts on behalf of the Company. The Plan is an unfunded plan intended to provide Participants with an opportunity to supplement their retirement income through deferral of current compensation.

2. *Definitions.*

2.1 *Change in Control.* 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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired

directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.1(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

(e) A transaction described in Section 2.1(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.1(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

(f) 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").

(g) 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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.2 *Committee.* The Executive Compensation Committee of the Company's Board of Directors or any successor to the Committee.

2.3 *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.

2.4 *Deferred Account.* The record maintained by the Company for each Participant of the cumulative amount of (a) account balances accumulated under other deferred compensation plans

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or programs of the Company which are merged into this Plan, as listed in Appendix A, (b) Compensation deferred pursuant to this Plan, plus (c) imputed gains or losses on those amounts accrued as provided in Section 4.6.

2.5 *Deferred Compensation Agreement.* A written agreement between a Participant and the Company in substantially the form set forth in Appendix B, whereby a Participant agrees to defer a portion of his or her Compensation 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 (the "DCB 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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.7 *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.

2.8 *Investment Account.* Any of the notional accounts identified by the Company from time to time, described in Exhibit A, to which Participants may allocate all or any portion of their Deferred Accounts for purposes of determining the gains or losses to be assigned to the Deferred Accounts.

2.9 *Normal Retirement Date.* The date specified in the Company's Bylaws for the retirement of any Director.

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 *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.* The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Sections 10 and 11. Any interpretation by the Committee shall be final and binding on the Participants.

4. *Participant Deferral and Distribution Elections.*

4.1 *Execution of Agreement.* A Director who wishes to participate in the Plan must execute a Deferred Compensation Agreement either (a) for newly eligible individuals, within 30 days after first becoming eligible to participate in the Plan (to defer Compensation for the remainder of that calendar year and subsequent years), or (b) prior to January 1 of the first calendar year for which the Deferred Compensation Agreement is to be effective.

4.2 *Deferral Election.* Each Director shall have the opportunity to elect the amount of his or her Compensation, to be earned in calendar years subsequent to the date of election, which will be deferred in accordance with this Plan. The Compensation otherwise earned by a Participant during

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each calendar year beginning after the date of the deferral election shall be reduced by the amount elected to be deferred. Elections to defer Compensation are irrevocable except as otherwise provided in this Plan. The amount of Compensation to be deferred will be specified in the Deferred Compensation Agreement.

4.3 *Change of Deferral Election.*

(a) A Participant who wishes to change an election to defer Compensation may do so at any time by notifying the Committee in writing prior to January 1 of the year for which the change in election is to be effective.

(b) A Participant who wishes to change an election to defer Compensation after January 1 of any calendar year for which the change in election is to be effective must submit a written request to the Committee to revoke his or her deferral election. The request must state why the Participant believes he or she should be permitted to revoke the prior election. Requests will be reviewed as soon as administratively feasible and, if a change is permitted, the change will be effective for all remaining pay periods following the date of the determination.

4.4 *Distribution Election.* At the time a Director elects to defer Compensation under Section 4.2, he or she shall elect a distribution option for the Compensation so deferred, including gains or losses thereon, as specified in the Deferred Compensation Agreement. The distribution election shall apply to all amounts deferred under this Plan and amounts deferred under plans listed under Appendix A which have been merged into this Plan. Elections regarding distribution of Deferred Accounts under this Plan are irrevocable except as otherwise provided in this Plan.

4.5 *Change of Distribution Election.* Participants who are active Directors may request, in writing, a change in their distribution election. The changed distribution election must be one of the distribution options in the original Deferred Compensation Agreement. The Committee must receive the request prior to November 30 of the year immediately preceding the year in which benefits are first scheduled to be paid. The request shall be approved or denied at the Committee's sole discretion. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

4.6 *Deferred Account Allocations and Adjustments.* The Company shall maintain a record of each Participant's Deferred Account balance and allocations. Each Participant (a) must allocate his or her current deferrals of Compensation to one of the Investment Accounts, and (b) may, from time to time, choose to change the allocations of his or her current deferrals of Compensation to a different Investment Account.

4.6.1 Each Participant's Deferred Account shall be adjusted on a daily basis to reflect the gains or losses attributable to the notional Investment Account(s) selected by the Participant. Computation of the gains or losses of the Investment Accounts shall be at the Company's sole discretion.

4.6.2 Participants who are active Directors may change the allocation of future deferrals to or from any Investment Account on any business day, with any change effective as of the first pay period beginning after the date of the change.

4.6.3 Participants who are active Directors, may shift the allocation of all or any portion of their Deferred Account balance among any of the Investment Accounts, other than the Stable Value Account, on any business day, with any change effective as of the next business day.

4.6.4 Deferred Account balances allocated to the Stable Value Account may not be allocated to any other Investment Account.

5. *Distributions.*

5.1 *Distributions in General.* The Company shall distribute Participants' Deferred Accounts as elected by each Participant in the applicable Deferred Compensation Agreement, except as otherwise provided in this Section 5.

5.2 *Plan Benefits Upon Termination.* 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 imputed interest 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 distribution, which are subject to approval by the Company, pursuant to Section 4.5.

5.3 *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 his or her Deferred Account under the Plan. The amount of the payment shall be equal to (a) the Participant's Deferred Account balance under the Plan as of the payment date, reduced by (b) an amount equal to 10% of the Deferred 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 Committee. The payment shall be made within 30 days of the date on which the Committee received the request for the distribution. If a Participant makes a request under this provision, he or she 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 the request. 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 that 12-month period.

5.4 *Distributions Following Participant Death; Designation of Beneficiary.* The Company shall make all payments to the Participant, if living. A Participant shall designate a beneficiary by filing a written notice of designation with the Company in such form as the Company may prescribe. If a Participant dies either before benefit payments have commenced under this Plan or after his or her benefits have commenced but before his or her entire Deferred Account has been distributed, his or her designated beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement. If no designation is in effect when any benefits payable under this Plan 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, as described in Section 5.4.

6.2 *Taxes.* The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld.

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.

effective upon receipt by the Company's Manager of Salaried and Executive Compensation at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

7. *Amendment and Termination.* The Company, acting through its Board of Directors or any committee of the Board of Directors, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

8. *Unsecured General Creditor.* Except as provided in Section 9, 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. The 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 an unfunded and unsecured promise of the Company to pay money in the future.

9. *Deferred Compensation and Benefits Trust.* Upon the occurrence of a Change in Control of the Company or at any time thereafter, the Company, in its sole discretion, may transfer to the DCB Trust cash, marketable securities, or other property acceptable to the trustee to pay the Company's obligations under this Plan in whole or in part (the "Funding Amount"). Any cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee subject to and in accordance with the terms of the DCB Trust. In addition, from time to time, the Company may make additional transfers of cash, marketable securities, or other property acceptable to the trustee as desired by the Company in its sole discretion to maintain or increase the Funding Amount with respect to this Plan. The assets of the DCB Trust, if any, shall be used to pay benefits under this Plan, except to the extent the Company pays such benefits. The Company and any successor shall continue to be liable for the ultimate payment of those benefits.

10. *Claims Procedure.* Claims for benefits under the Plan shall be filed in writing, within 60 days after the event giving rise to a claim, with the Company's Manager of Salaried and Executive Compensation (the "Manager"), who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Committee. The claim shall include a statement of all relevant facts and copies of all documents, materials, or other evidence that the claimant believes relevant to the claim. The Company shall notify the claimant in writing of the disposition of the claim within 60 days after the claim is filed. The Manager, in his or her sole discretion, may extend this 60-day period an additional 60 days by providing written notice of the extension to the claimant before the original 60-day period expires. If the claim is denied, the specific reasons for the 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 the claim for further 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 the denied claim. The request, together with a written statement of the claimant's position, must be filed no later than 60 days after receiving the written notice of denial provided for in Section 10 with the Manager, who shall promptly inform the Committee. The Committee shall review the claim and notify the claimant, in writing, of its decision within 60 days after receiving the request for review. The Committee, in its discretion, may extend this 60-day period an additional 60 days by providing written notice of the extension to the claimant before the original 60-day period expires. The Committee's written decision shall state the facts and Plan provisions upon which the decision is based and shall be final and binding on all parties.

12. *Lawsuits, Jurisdiction, and Venue.* No lawsuit claiming entitlement to benefits under this Plan may be filed prior to exhausting the claims and claims review procedures described in Sections 10 and 11. Any such lawsuit must be initiated no later than (a) one year after the event(s) giving rise to the claim occurred, or (b) 60 days after a final written decision was provided to the claimant under Section 11, whichever is sooner. Any legal action involving benefits claimed or legal obligations relating to or arising under this Plan may be filed only in Federal District Court in the city of Boise, Idaho. Federal law shall be applied in the interpretation and application of this Plan and the resolution of any legal action. To the extent not preempted by federal law, the laws of the state of Idaho shall apply.

13. *Effective Date of Plan.* This Plan shall become effective as of January 1, 2001.

EXHIBIT A

INVESTMENT ACCOUNTS

1. *Stable Value Account.* Deferred Accounts allocated to this account shall be credited, while the Participant is a Director of the Company, with imputed interest equal to an annualized rate of interest equal to 130% of Moody's Composite Average of Yields on Corporate Bonds ("Moody's") as determined each month from Moody's Bond Record (as 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 by the Company, in its sole discretion. Moody's, for purposes of this Plan, shall be based for any given month on such published rate for the immediately preceding calendar month.

APPENDIX A
List of Deferred Compensation Plans/Programs Merged into
the 2001 Board of Directors Deferred Compensation Plan

- Boise Cascade Corporation 1987 Board of Directors Deferred Compensation Plan
- Boise Cascade Corporation 1995 Board of Directors Deferred Compensation Plan
- Boise Cascade Office Products Corporation 1995 Board of Directors Deferred Compensation Plan
- Boise Cascade Office Products Corporation Board of Directors Deferred Compensation Plan

APPENDIX B
Boise Cascade Corporation
Form of Director Compensation Election Agreement

This agreement constitutes my election, if any, under Boise Cascade's Director Stock Compensation Plan and Director Deferred Compensation Plan and is subject to the provisions of these plans. I agree that my requests to receive compensation in the form of a stock option and/or to defer cash compensation into the deferred compensation plan are irrevocable by me for compensation to be earned in 200 .

I wish to receive my cash compensation (retainer and meeting fees) as follows:

	200 ELECTIONS	NEW 200 ELECTIONS
Deep Discount Stock Options under the Director Stock Compensation Plan	%	%
Director Deferred Compensation Plan*	%	%
Cash	%	%
	100%	100%

* The dollar value of the percent you defer must be at least \$5,000 per year. Boise Cascade believes, but does not guarantee, that a deferral election made under the terms of the plan is effective to defer the receipt of taxable income. You are advised to consult with your attorney or accountant regarding the federal and state tax law implications of this deferral.

Date: _____ Signed: _____
Director

This form *must* be returned before December 31, 200 , to:

Karen E. Gowland
Vice President and Corporate Secretary
Boise Cascade Corporation
P.O. Box 50
Boise, ID 83728-0001
FAX: 208/384-6566

Boise Cascade Corporation
Form of Director Deferred Compensation Distribution Election Agreement

THIS AGREEMENT dated _____, is between BOISE CASCADE CORPORATION ("the Company") and _____ (the "Director"). Director is a Participant in the Company's 2001 Board of Directors Deferred Compensation Plan (the "Plan"), which is incorporated into this Agreement.

The Company and the Director agree to the following distribution of Director's account balance under the plan:

Distribution Election

This election will apply to ALL your deferred compensation with Boise Cascade.

1. The Director elects the following **form of distribution** of his or her Deferred Account balance:

- A. Lump-sum payment.
- B. Quarterly installment payments (estimated to be level payments) over a period of _____ years (not to exceed 15 years).

___ C. As set forth in Exhibit A (alternative distribution plan not to exceed 15 years).

2. The Director elects the following **distribution beginning date**:

- ___ A. January 1 of the year following Termination.
- ___ B. The later of age 55 or Termination.
- ___ C. The later of age 65 or Termination.
- ___ D. The later of _____ (date) or his or her Normal Retirement Date.

3. If the Director dies *before* his or her distributions from the Plan begin, the Company will pay the Director's designated beneficiary the Deferred Account balance as a (choose one):

- ___ A. Lump-sum payment.
- ___ B. Quarterly installment payments over a period of _____ years (not to exceed 15 years).
- ___ C. As set forth in Exhibit A (alternative distribution plan not to exceed 15 years).

4. If the Director dies *after* installment payments have begun, the Company will pay the Director's designated beneficiary (choose one):

- ___ A. Lump sum of the remaining Deferred Account balance.
- ___ B. The remaining installment payments, if any.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day first written above.

BOISE CASCADE CORPORATION

DIRECTOR

By _____

By _____

QuickLinks

[Exhibit 10.24](#)

[BOISE CASCADE CORPORATION 2001 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN \(As Amended Through September 26, 2003\)](#)

[EXHIBIT A INVESTMENT ACCOUNTS](#)

[APPENDIX A List of Deferred Compensation Plans/Programs Merged into the 2001 Board of Directors Deferred Compensation Plan](#)

[APPENDIX B Boise Cascade Corporation Form of Director Compensation Election Agreement](#)

[Boise Cascade Corporation Form of Director Deferred Compensation Distribution Election Agreement](#)

BOISE CASCADE CORPORATION

KEY EXECUTIVE PERFORMANCE UNIT PLAN

(As Amended Through September 26, 2003)

1. *Purpose of the Plan.* The purpose of the Boise Cascade Corporation Key Executive Performance Unit Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing long-term economic incentives to the Company's Executive Officers, thereby encouraging 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 Awards earned under the Plan. The Plan is an unfunded plan.

2. *Definitions.*

2.1 *Award.* The grant of Performance Units to an Executive Officer under the terms of this Plan.

2.2 *Award Criteria.* Cumulative improvement in Economic Value Added ("EVA") over rolling three-year periods relative to a benchmark group of key business competitors, based on publicly-reported financial information. The Committee will have the discretion to make appropriate adjustments to the Company's EVA in certifying the Company's performance relative to those key business competitors. The Award Criteria applicable to any Award Period shall be established by the Committee within 90 days of the beginning of that Award Period.

2.3 *Award Period.* A three consecutive calendar year period with respect to which an Award has been granted.

2.4 *Change in Control.* 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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.4(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or

consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.4(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 2.4(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.4(c)(i) (a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or

nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

For purposes of this Section and Section 2.16, "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 and Section 2.16, "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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the

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Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.5 *Committee.* The Executive Compensation Committee of the Company's board of directors.

2.6 *Compensation.* The cash value of Performance Units at the Payout Date. Compensation paid pursuant to this Plan shall not be treated as Compensation for purposes of the Pension Plan, the Company's Savings and Supplemental Retirement Plan, or for any Company severance, vacation, or other plan or policy.

2.7 *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 or any subsidiary, partnership, or joint venture of the Company. The determination of whether a business is a Competitor shall be made by the Company's General Counsel, in his or her sole discretion.

2.8 *Deferred Account.* The record maintained by the Company for each Participant of the cumulative amount of Compensation otherwise payable under this Plan but deferred in accordance with the terms of this Plan and the Company's 2001 Key Executive Deferred Compensation Plan, together with imputed gains or losses on those amounts.

2.9 *Deferred Compensation Agreement.* An agreement between a Participant and the Company whereby a Participant irrevocably agrees to defer all or a portion of Compensation payable under the terms of this Plan. Compensation so deferred shall be subject to the terms of any distribution election executed by the Participant under the Company's 2001 Key Executive Deferred Compensation Plan.

2.10 *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 will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency.

2.11 *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 and Exchange Commission.

2.12 *Participant.* An Executive Officer of the Company who has been granted Performance Units under this Plan.

2.13 *Payout Date.* The date following the end of an Award Period, and following certification by the Committee of the value of the Performance Units, upon which the cash value of Performance Units are paid to Participants (unless the payment is deferred at the Participant's election).

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

2.15 *Performance Unit.* A notional account unit with a Target Value of \$1.00 on its grant date and a maximum potential value of \$2.25. A Performance Unit will have no value unless the Company meets at least a minimum relative performance standard.

2.16 *Potential Change in Control.* A "Potential Change in Control" shall be deemed to have occurred if (a) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (b) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would

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constitute a Change in Control of the Company; (c) 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, provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 9.5% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; or (d) the Board adopts a resolution to the effect that a Potential Change in Control has occurred.

2.17 *Retirement.* A Participant's termination of employment with the Company (or any subsidiary, partnership, or joint venture of the Company) for reasons other than death, total disability (as defined in the Pension Plan), or disciplinary reasons (as that term is used for purposes of the Company's

Corporate Policy 10.2, Termination of Employment) at any time after the Participant has attained age 55 with 10 or more years of service (as defined in the Pension Plan).

2.18 *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, provided that transfer from the Company to a subsidiary or vice versa shall not be deemed a Termination of Employment for purposes of this Plan.

2.19 *Year of Service.* A Year of Service as determined under the Pension Plan.

3. *Awards.*

(a) *Grant.* The Committee may, in its sole discretion, make an Award to any Executive Officer each year, or from time to time, in such amount and subject to such terms and conditions as the Committee may determine. In no event, however, may the number of Performance Units awarded in any calendar year to any one Executive Officer exceed 1,500,000.

(b) *Determination.* As soon as practical after the conclusion of each Award Period, the Committee shall review and evaluate the Award Criteria applicable to the Award Period in light of the Company's performance measured in accordance with such criteria, and shall determine the dollar value, if any, of the Performance Units granted in connection with that Award Period. The Committee shall certify its determination in a written statement and shall apply the value so determined to arrive at a dollar amount of any Award for each Participant.

4. *Payment of Awards.* Payment of Awards, less withholding taxes, shall be made to Participants as soon as administratively feasible following the conclusion of the applicable Award Period, but only upon the Committee's certification that the applicable Award Criteria have been satisfied and upon determination of the amount of each Award. No Award shall be deemed to be earned under this Plan prior to the Committee's certification and Award determination. 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.

5. *Administration and Interpretation of the Plan.* The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been

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delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Sections 12 and 13. Any interpretation by the Committee shall be final and binding on the Participants.

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 2.12. If an Executive Officer becomes a Participant at any time during the first year of an Award Period, he or she will be eligible for an Award as if he or she had been a Participant at the beginning of that Award Period, but will not be eligible for an Award with respect to any prior Award Period.

When 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, or he or she is excluded from participation by the Committee.

7. *Treatment of Awards Upon Retirement, Disability, Death, Reassignment, or Termination.* A Participant who (a) Retires, (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; provided, however, if such event constitutes a Change in Control of the Company, benefits shall be paid to such Participant as provided in Section 9 of this Plan.

In the event of Retirement, total disability, or death, the Participant will be fully vested in the Performance Units granted prior to the date of his or her Retirement, total disability, or death; provided, however, such Performance Units shall be void and of no value if the Participant provides services, directly or indirectly, to a Competitor at any time after the date of his or her Retirement or total disability. An Award, if any, 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 Committee certifies that an Award is payable under the applicable Criteria and determines the amount of the Award, provided that the Participant has not, at any time prior to the date of payment of the Award, provided services for remuneration, directly or indirectly, to any Competitor. Any Award to be paid pursuant to this paragraph shall be calculated at the end of the Award Period as though the Participant had been employed by the Company throughout the applicable Award Period.

In the event an Executive Officer ceases to be a Participant under 7(d) above, the Participant shall receive a pro rata Award under the Plan (if one is paid), based on the number of days he or she was a Participant in the Plan during the Award Period. This prorated Award shall be paid to the Participant as soon as practical after the Committee certifies that an Award is payable under the applicable Criteria and determines the amount of the Award. In addition, 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 be eligible to receive a prorated Award for the Award Period (if one is paid).

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. Performance Units granted to such Participants prior to the date of termination of employment shall be void and have no monetary or other value.

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8. *Deferral of Awards.* A Participant may elect to defer receipt of all or any portion of any Award made under the Plan to a future date as provided in the Company's 2001 Key Executive Deferred Compensation Plan. Awards so deferred will be subject to the terms of that plan and the Deferred Compensation and Benefits Trust.

9. *Benefits Upon Change in Control.* Upon the occurrence of any Potential Change in Control of the Company, neither the Committee nor the Company shall have any authority to amend this Plan in any manner that would reduce or alter the rights of Participants to any benefit hereunder without the consent of the Participants.

Upon a Change in Control of the Company, the Company shall promptly pay to all Participants 150% of the Target Value of all outstanding Awards, less applicable tax withholding. Any such payment shall be subject to any deferral election(s) made by a Participant with respect to such outstanding Award(s).

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.* This Plan is not intended to and does not create a contract of employment in any manner nor any entitlement to a position or title. Employment with the Company is at will, which means that either the Executive Officer or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship, nor creates or should be construed as conferring any right upon a Participant to be retained as an employee or Executive Officer of the Company.

10.3 *Taxes.* The Company shall deduct from all payments made under this Plan all applicable federal or state taxes required by law to be withheld. 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 the Company shall be made in writing and in such form as the Company may prescribe. Such communication shall be effective upon receipt by the Company's Salaried and Executive Compensation Manager at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728-0001.

11. *Amendment and Termination.* The Company, acting through its Board or any committee of the Board, may, at its sole discretion, amend or terminate the Plan at any time, provided that the amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

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 Salaried and Executive Compensation Manager, 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

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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 Salaried and Executive Compensation Manager, in his or her 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 Salaried and Executive Compensation Manager, 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, 2001, provided, however, that no payment shall be made with respect to any Award prior to approval of the Plan by the Company's shareholders.

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BOISE CASCADE CORPORATION
2003 DIRECTOR STOCK COMPENSATION PLAN
(As Amended Through September 26, 2003)

1. *Plan Administration and Eligibility.*

1.1 *Purpose.* The purpose of the 2003 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.* The Executive Compensation Committee or any successor to the Committee (the "Committee") shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to the Company's General Counsel and may request that the Committee reconsider decisions of the General Counsel. Any interpretation by the Committee shall be final and binding on the Participants.

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 75,000 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 *Compensation Shares.* The number of option Shares equal to the nearest whole number determined by the following formula:

$$\frac{\text{Elected Portion of Compensation}}{\text{(Fair Market Value - \$2.50)}} = \text{Number of Option Shares}$$

3.3.2 *Dividend Equivalent Shares.* The number of option Shares equal to the nearest whole number determined by the following formula:

$$\frac{\text{Dividend Equivalent}}{\text{(Fair Market Value - \$2.50)}} = \text{Number of Option Shares}$$

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 *"Compensation."* A Participant's fees, otherwise 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.

3.3.3.2 *"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 $\frac{1}{2}$ the number of Shares to

be granted under Section 3.3.1 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.

3.3.3.3 "*Elected Portion of Compensation.*" A dollar amount determined each year for each director equal to the dollar amount of the percentage of his or her Compensation, 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 Compensation for the following year to be paid in the form of options under this Plan. 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 Compensation amounts earned during the calendar year of their initial election or appointment to office.

3.3.3.4 "*Fair Market Value.*" The closing price for Shares as reported by the New York Stock Exchange or another generally accepted pricing standard chosen by the Company, in each case on the Valuation Date.

3.3.3.5 "*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.

3.3.3.6 "*Valuation Date.*" July 31, or if Fair Market Value is not available on July 31, the immediately preceding business day for which Fair Market Value is available.

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, the director shall

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be granted, on December 31 of the year in which the termination occurs, an option for Shares under this Plan equal in value to (i) the Elected Portion of Compensation and (ii) the Dividend Equivalent. For purposes of this Section 3.4, fixed Compensation amounts (e.g., annual retainer and committee chairperson fees) 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 Section 422A of the Internal Revenue Code of 1986.

3.7 *Period of Option.* No option may be exercised within 6 months of its Grant Date, provided, however, that options held by or granted to 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, except as federal and state securities laws may otherwise limit a director's ability to resell the Shares acquired upon the exercise until 6 months after the Grant Date. No option shall be exercisable after expiration of 3 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 may be made by any permissible method specified in the written agreement. Options may be exercised in whole or in part.

3.9 *Options Not Transferable.* 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 a "Change in Control of the Company" occurs while unexercised options remain outstanding hereunder, then from and after the date the Change in Control of the Company occurs, all options previously granted under this Plan shall be immediately exercisable in full.

For purposes of this Section, a "Change in Control of the Company" shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities

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by any Person in connection with a transaction described in Section 3.11(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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 $\frac{2}{3}$ 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation, and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 3.11(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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, more than 50% 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.

A transaction described in Section 3.11(c) which is not a Change in Control of the Company solely due to the operation of Subsection 3.11(c)(i)(a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

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 "Person" 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, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

4. General Provisions.

4.1 *Effective Date.* This Plan shall be effective January 1, 2003, 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.* This Plan shall remain in effect until all Shares subject to option grants have been purchased or all unexercised options have expired.

4.3 *Amendment and Termination.* 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 6 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 be 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 (i) the effective date of the Plan, (ii) shareholder approval, and (iii) 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.

QuickLinks

[Exhibit 10.26](#)

[BOISE CASCADE CORPORATION 2003 DIRECTOR STOCK COMPENSATION PLAN \(As Amended Through September 26, 2003\)](#)

2003 BOISE INCENTIVE AND PERFORMANCE PLAN

(As amended through December 12, 2003)

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2003 BOISE INCENTIVE AND PERFORMANCE PLAN

1. *Purpose and Establishment.*

1.1 *Purpose.* The 2003 Boise Incentive and Performance Plan (the "Plan") is intended to promote the interests of the Company and its shareholders by (a) attracting, motivating, rewarding, and retaining the broad-based management talent critical to achieving the Company's business goals; (b) linking a portion of each Participant's compensation to the performance of both the Company and the individual Participant; and (c) encouraging ownership of Company common stock by Participants. The Plan has been adopted and approved by the Board of Directors (defined below).

1.2 *Successor Plan.* This Plan shall be the successor plan to the 1984 Key Executive Stock Option Plan (the "1984 KESOP"). No further grants shall be made under the 1984 KESOP on or after January 1, 2003. All awards outstanding under the 1984 KESOP on December 31, 2002 ("Prior Awards"), are incorporated into this Plan and shall be treated as awards under this Plan; however, the Prior Awards shall continue to be governed solely by the terms and conditions of the written instrument evidencing the grant or issuance. Except as expressly provided, no provision of this Plan shall affect or otherwise modify the rights or obligations of holders of Prior Awards. Shares of Stock reserved for issuance under the 1984 KESOP in excess of the number of shares as to which awards have been made as of December 31, 2002, shall no longer be available for issuance on or after January 1, 2003.

2. *Definitions.* As used in the Plan, the following definitions apply to the terms indicated below:

2.1 "Agreement" means either the written agreement between the Company and a Participant evidencing an Award and setting forth the terms and conditions applicable to the Award or a statement issued by the Company to a Participant describing the terms and conditions of an Award.

2.2 "Annual Incentive Award" means an Award granted under Section 13.

2.3 "Award" means any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Unit, Performance Share, Annual Incentive Award, or Stock Bonus granted pursuant to the terms of the Plan.

2.4 "Board of Directors" means the Board of Directors of the Company.

2.5 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 representing 25% 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; provided, however, if such Person acquires securities directly from the Company, such securities shall not be included unless such Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities, and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.5(c)(i) shall not be deemed to be a Change in Control of the Company; or

(b) The following individuals cease for any reason to constitute at least a majority 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

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election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least 2/3rds 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 consummation of a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) with any other corporation other than (i) a merger or consolidation which would result in both (a) Continuing Directors continuing to constitute at least a majority of the number of directors of the combined entity immediately following consummation of such merger or consolidation and (b) 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) more than 50% 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 representing 25% 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; provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 25% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; and provided further that any acquisition of securities by any Person in connection with a transaction described in Section 2.5(c)(i) shall not be deemed to be a Change in Control of the Company; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the consummation of 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 more than 50% 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.

A transaction described in Section 2.5(c) which is not a Change in Control of the Company solely due to the operation of Subsection 2.5(c)(i) (a) will nevertheless constitute a Change in Control of the Company if the Board determines, prior to the consummation of the transaction, that there is not a reasonable assurance that, for at least two years following the consummation of the transaction, at least a majority of the members of the board of directors of the surviving entity or any parent will continue to consist of Continuing Directors and individuals whose election or nomination for election by the shareholders of the surviving entity or any parent would be approved by a vote of at least two-thirds of the Continuing Directors and individuals whose election or nomination for election has previously been so approved.

(e) For purposes of Sections 2.5 and 2.19, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(f) For purposes of Sections 2.5 and 2.19, "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 "Person" 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

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Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (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, or (v) an individual, entity or group that is permitted to and does report its beneficial ownership of securities of the Company on Schedule 13G under the Exchange Act (or any successor schedule), provided that if the individual, entity or group later becomes required to or

does report its ownership of Company securities on Schedule 13D under the Exchange Act (or any successor schedule), then the individual, person or group shall be deemed to be a Person as of the first date on which the individual, person or group becomes required to or does report its ownership on Schedule 13D.

2.6 "Code" means the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

2.7 "Committee" means the Executive Compensation Committee of the Board of Directors or any successor to the Committee, which shall consist of three or more persons, each of whom, unless otherwise determined by the Board of Directors, is an "outside director" within the meaning of Section 162(m) of the Code and a "nonemployee director" within the meaning of Rule 16b-3.

2.8 "Company" means Boise Cascade Corporation, a Delaware corporation.

2.9 "Director" means any individual who is a member of the Board of Directors of the Company and who is not an employee of the Company.

2.10 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

2.11 "Fair Market Value" of a share of Stock means the closing price of the Stock as reported by the consolidated tape of the New York Stock Exchange on the date in question, unless otherwise specified by the Committee. If there are no Stock transactions on a particular date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Stock transactions.

The Committee may in its sole discretion specify a different date or dates on which Fair Market Value will be determined or may specify a price that is at or within the range of the high and low selling prices of the Stock on the New York Stock Exchange, that is the actual selling price, or that is an average of prices over a number of trading days for the purpose of calculating Fair Market Value; provided that the Fair Market Value specified for Incentive Stock Options shall comply with applicable laws and regulations.

2.12 "Incentive Stock Option" means an Option that is an "incentive stock option" within the meaning of Section 422 of the Code, or any successor provision, and that is designated by the Committee as an Incentive Stock Option.

2.13 "Nonqualified Stock Option" means an Option other than an Incentive Stock Option.

2.14 "Option" means the right to purchase a stated number of shares of Stock at a stated price for a stated period of time, granted pursuant to Section 7.

2.15 "Participant" means an employee or Director of the Company or a subsidiary to whom an Award is granted pursuant to the Plan, or upon the death of the Participant, his or her successors, heirs, executors, and administrators, as the case may be.

2.16 "Performance Goals" means the objectives established by the Committee in its sole discretion with respect to any performance-based Awards that relate to one or more business criteria within the meaning of Section 162(m) of the Code. Performance Goals may include or be

based upon, without limitation: sales; gross revenue; gross margins; internal rate of return; cost; ratio of debt to debt plus equity; profit before tax; earnings before interest and taxes; earnings before interest, taxes, depreciation, and amortization; earnings per share; operating earnings; economic value added; ratio of operating earnings to capital spending; cash flow; free cash flow; net operating profit; net income; net earnings; net sales or net sales growth; price of Stock; return on capital, net assets, equity, or shareholders' equity; segment income; market share; productivity ratios; expense targets; working capital targets; or total return to shareholders. Performance Goals may (a) be used to measure the performance of the Company as a whole or any subsidiary, business unit or segment of the Company, (b) include or exclude (or be adjusted to include or exclude) extraordinary items, and/or (c) reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group, index, or other external measure, in each case as determined by the Committee in its sole discretion.

2.17 "Performance Share" means an Award of a number of shares granted to a Participant pursuant to Section 12 which is initially valued according to Fair Market Value and is paid out based on the achievement of stated Performance Goals during a stated period of time.

2.18 "Performance Unit" means an Award granted to a Participant pursuant to Section 11 which is paid out based on the achievement of stated Performance Goals during a stated period of time.

2.19 A "Potential Change in Control" shall be deemed to have occurred if (a) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (b) 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; (c) 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, provided that securities acquired directly from the Company shall not be included unless the Person acquires additional securities which, when added to the securities acquired directly from the Company, exceed 9.5% of the Company's then outstanding shares of common stock or the combined voting power of the Company's then outstanding securities; or (d) the Board adopts a resolution to the effect that a Potential Change in Control has occurred.

2.20 "Restricted Stock" means Stock granted to a Participant which is subject to forfeiture and restrictions as set forth in Section 9.

2.21 "Restricted Stock Units" means an Award granted to a Participant pursuant to Section 10 which is subject to forfeiture and restrictions.

2.22 "Rule 16b-3" means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time.

2.23 "Securities Act" means the Securities Act of 1933, as amended from time to time.

2.24 "Stock" means the common stock of the Company, par value \$2.50 per share.

2.25 "Stock Appreciation Right" or "SAR" means the right to receive an amount calculated as provided in and granted pursuant to Section 8.

2.26 "Stock Bonus" means a bonus payable in shares of Stock granted pursuant to Section 14.

3. *Stock Subject to the Plan.*

3.1 *Shares Available for Awards.* The maximum number of shares of Stock reserved for issuance under the Plan shall be 7,000,000 shares (subject to adjustment as provided herein). Shares may be authorized but unissued Stock or authorized and issued Stock held in the

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Company's treasury. All shares of Stock reserved for issuance under the Plan shall be available for any Awards, including Options and Stock Appreciation Rights. The following shares of Stock shall again be available for Awards under the Plan: (a) shares subject to an Award (including a Prior Award, as that term is defined in Section 1.2) which is cancelled, expired, terminated, forfeited, surrendered, or otherwise settled without the issuance of any Stock, (b) shares of Restricted Stock that are forfeited, (c) shares of Stock tendered to satisfy the exercise price of an Option, and (d) shares tendered or withheld to satisfy tax withholding pursuant to Section 18.

3.2 *Performance-Based Award Limitation.* Awards that are designed to comply with the performance-based exception from the tax deductibility limitation of Section 162(m) of the Code shall be subject to the following rules:

(a) The number of shares of Stock that may be granted in the form of Options in a single fiscal year to a Participant may not exceed 1,500,000.

(b) The number of shares of Stock that may be granted in the form of SARs in a single fiscal year to a Participant may not exceed 1,500,000.

(c) The number of shares of stock that may be granted in the form of Restricted Stock in a single fiscal year to a Participant may not exceed 1,500,000.

(d) The number of Restricted Stock Units that may be granted in a single fiscal year to a Participant may not exceed 1,500,000.

(e) The number of shares of Stock that may be granted in the form of Performance Shares in a single fiscal year to a Participant may not exceed 1,500,000.

(f) The maximum amount that may be paid to a Participant for Performance Units granted in a single fiscal year to the Participant may not exceed \$4,000,000.

3.3 *Adjustment for Change in Capitalization.* In the event of any recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, spin-off, combination, share repurchase, share exchange, reclassification, or other similar corporate transaction or event, unless otherwise determined by the Committee in its sole discretion, (a) the number and kind of shares of stock which may thereafter be issued in connection with Awards; (b) the number and kind of shares of stock or other property issued or issuable in respect of outstanding Awards; (c) the exercise price, grant price, or purchase price relating to any Award; and (d) the maximum number of shares subject to Awards which may be awarded to any employee during any fiscal year of the Company shall be equitably adjusted as necessary to prevent the dilution or enlargement of the rights of Participants; provided that, with respect to Incentive Stock Options, adjustments shall be made in accordance with Section 424 of the Code.

4. *Administration of the Plan.*

4.1 *Authority and Delegation.* The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan. The Committee may also adopt any rules it deems necessary to administer the Plan. Any interpretation, determination, decision, or other action made or taken by the Committee shall be final and binding on Participants. The Committee's responsibilities for administration and interpretation of the Plan shall be exercised by Company employees who have been assigned those responsibilities by the Company's management. Any Company employee exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee.

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4.2 *Terms and Conditions of Awards.* The Committee shall have final discretion, responsibility, and authority to:

(a) grant Awards;

(b) determine the Participants to whom and the times at which Awards shall be granted;

(c) determine the type and number of Awards to be granted, the number of shares of Stock to which an Award may relate, and the applicable terms, conditions, and restrictions, including the length of time for which any restriction shall remain in effect;

(d) establish and administer Performance Goals relating to any Award;

(e) establish the rights of Participants with respect to an Award upon termination of employment or service as a Director;

(f) determine whether, to what extent, and under what circumstances an Award may be settled, cancelled, forfeited, exchanged, or surrendered;

(g) make adjustments in the Performance Goals in recognition of unusual or nonrecurring events affecting the Company or the financial statements of the Company, or in response to changes in applicable laws, regulations, or accounting principles;

(h) determine the terms and provisions of Agreements; and

(i) make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee may solicit recommendations from the Company's management with respect to any or all of the items listed above.

The Committee shall determine the terms and conditions of each Award at the time of grant. The Committee may establish different terms and conditions for different Participants, for different Awards, and for the same Participant for each Award the Participant may receive, whether or not granted at different times.

5. *Eligibility.* The persons who shall be eligible to receive Awards pursuant to the Plan shall be employees of the Company and its subsidiaries and affiliates (including officers of the Company, whether or not they are directors of the Company), selected by the Committee from time to time, and Directors. The grant of an Award at any time to any person shall not entitle that person to a grant of an Award at any future time.

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6. *Awards under the Plan; Agreement.* Awards that may be granted under the Plan consist of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares, Annual Incentive Awards, and Stock Bonuses, all as described below.

Each Award granted under the Plan, except unconditional Stock Bonuses, shall be evidenced by an Agreement which shall contain such provisions as the Committee may, in its sole discretion, deem necessary or desirable which are not in conflict with the terms of the Plan. By accepting an Award, a Participant agrees that the Award shall be subject to all of the terms and provisions of the Plan and the applicable Agreement.

7. *Options.*

7.1 *Terms and Agreement.* Subject to the terms of the Plan, Options may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for each Option granted:

(a) the number of shares subject to each Option;

(b) duration of the Option (provided that no Option shall have an expiration date later than the day after the 10th anniversary of the date of grant);

(c) vesting requirements, if any;

(d) whether the Option is an Incentive Stock Option or a Nonqualified Stock Option;

(e) the amount and duration of related Stock Appreciation Rights, if any, and any conditions upon their exercise;

(f) the exercise price for each Option (which shall not be less than the Fair Market Value on the date of the grant);

(g) the permissible method(s) of payment of the exercise price;

(h) the rights of the Participant upon termination of employment or service as a Director, provided that the termination rights for Participants receiving Incentive Stock Options shall conform to Section 422 of the Code; and

(i) any other terms or conditions established by the Committee.

7.2 *Exercise of Options.*

(a) Options shall be exercisable at such times and subject to such restrictions and conditions as the Committee, in its sole discretion, deems appropriate, which need not be the same for all Participants.

(b) An Option shall be exercised by delivering written notice as specified in the Agreement on the form of notice provided by the Company. Options may be exercised in whole or in part.

For a Participant who is subject to Section 16 of the Exchange Act, the Company may require that the method of payment comply with Section 16 and the rules and regulations thereunder. Any payment in shares of Stock, if permitted, shall be made by delivering the shares to the secretary of the Company, duly endorsed in blank or accompanied by stock powers duly executed in blank, together with any other documents and evidence as the secretary shall require.

(c) Certificates for shares of Stock purchased upon the exercise of an Option shall be issued in the name of or for the account of the Participant or other person entitled to receive the shares and delivered to the Participant or other person as soon as practicable following the effective date on which the Option is exercised.

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7.3 *Incentive Stock Options.* Notwithstanding anything in the Plan to the contrary, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended, or altered, nor shall any discretion or authority granted under the Plan be exercised so as to disqualify the Plan under Section 422 of the Code, or, without the consent of any affected Participant, to cause any Incentive Stock Option previously granted to fail to qualify for the federal

income tax treatment afforded under Section 421 of the Code. Incentive Stock Options shall not be granted to Directors. Incentive Stock Options shall not be granted under the Plan on or after January 1, 2013.

7.4 *Leave of Absence or Transfer.* Transfer between the Company and any subsidiary or between subsidiaries, or a leave of absence duly authorized by the Company, shall not be deemed a termination of employment. A Participant may not, however, exercise an Option or related Stock Appreciation Right during any leave of absence unless authorized to do so by the Company's compensation manager.

7.5 *Reduction in Price or Reissuance.* In no event shall the Committee cancel any outstanding Option for the purpose of reissuing the Option to the Participant at a lower exercise price or reduce the exercise price of a previously issued Option.

7.6 *Aggregate Grant.* The aggregate number of shares of Stock with respect to which Options or Stock Appreciation Rights may be granted to a single Participant throughout the duration of the Plan may not exceed 30% of the total number of shares of Stock available for issuance pursuant to Section 3.1.

8. *Stock Appreciation Rights.*

8.1 *Terms and Agreement.* Subject to the terms of the Plan, Stock Appreciation Rights may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for each SAR granted:

- (a) the number of shares subject to each SAR;
- (b) whether the SAR is a Related SAR or a Freestanding SAR;
- (c) duration of the SAR;
- (d) vesting requirements, if any;
- (e) rights of the Participant upon termination of employment or service as a Director; and
- (f) any other terms or conditions established by the Committee.

8.2 *Related and Freestanding SARs.* A Stock Appreciation Right may be granted in connection with an Option, either at the time of grant or at any time thereafter during the term of the Option (a "Related SAR"), or may be granted unrelated to an Option (a "Freestanding SAR").

8.3 *Surrender of Option.* A Related SAR shall require the holder, upon exercise, to surrender the Option with respect to the number of shares as to which the SAR is exercised, in order to receive payment. The Option will, to the extent surrendered, cease to be exercisable.

8.4 *Reduction in Number of Shares Subject to Related SARs.* For Related SARs, the number of shares subject to the SAR shall not exceed the number of shares subject to the Option. For example, if the SAR covers the same number of shares as the Option, the exercise of a portion of the Option shall reduce the number of shares subject to the SAR to the number of shares remaining under the Option. If the Related SAR covers fewer shares than the Option, the exercise of a portion of the Option shall reduce the number of shares subject to the SAR to the extent

necessary so that the number of remaining shares subject to the SAR is not more than the remaining shares under the Option.

8.5 *Exercisability.* Subject to Section 8.7 and to any rules and restrictions imposed by the Committee, a Related SAR will be exercisable at the time or times, and only to the extent, that the Option is exercisable and will not be transferable except to the extent that the Option is transferable. A Freestanding SAR will be exercisable as determined by the Committee but in no event after 10 years from the date of grant.

8.6 *Payment.* Upon the exercise of a Stock Appreciation Right, the holder will be entitled to receive payment of an amount determined by multiplying:

- (a) The excess of the Fair Market Value on the date of exercise over the Fair Market Value on the date of grant, by
- (b) The number of shares with respect to which the SAR is being exercised.

The Committee may limit the amount payable upon exercise of a Stock Appreciation Right. Any limitation must be determined as of the date of grant and noted on the Agreement evidencing the grant.

Payment may be made in cash, Stock, or a combination of cash and Stock, in the Committee's sole discretion.

8.7 *Additional Terms.* The Committee may impose additional conditions or limitations on the exercise of a Stock Appreciation Right as it may deem necessary or desirable to secure for holders the benefits of Rule 16b-3, or any successor provision, or as it may otherwise deem advisable.

9. *Restricted Stock.*

9.1 *Terms and Agreement.* Subject to the terms of the Plan, shares of Restricted Stock may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for the Restricted Stock granted:

- (a) the number of shares of Restricted Stock granted;
- (b) the purchase price, if any, to be paid by the Participant for each share of Restricted Stock;

- (c) the restriction period established pursuant to Subsection 9.2;
- (d) any requirements with respect to elections under Section 83(b) of the Code;
- (e) rights of the Participant upon termination of employment or service as a Director; and
- (f) any other terms or conditions established by the Committee.

9.2 *Restriction Period.* At the time of the grant of Restricted Stock, the Committee shall establish a restriction period for the shares granted, which may be time-based, based on the achievement of specified Performance Goals, a combination of time- and Performance Goal-based, or based on any other criteria the Committee deems appropriate. The Committee may divide the shares into classes and assign a different restriction period for each class. The Committee may impose additional conditions or restrictions upon the vesting of the Restricted Stock as it deems fit in its sole discretion. If all applicable conditions are satisfied, then upon the termination of the restriction period with respect to a share of Restricted Stock, the share shall vest and the restrictions of Section 9.3 shall lapse. To the extent required to ensure that a Performance Goal-based Award of Restricted Stock to an executive officer is deductible by the Company

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pursuant to Section 162(m) of the Code, any such Award shall vest only upon the Committee's determination that the Performance Goals applicable to the Award have been attained.

9.3 *Restrictions on Transfer Prior to Vesting.* Prior to the vesting of Restricted Stock, the Participant may not sell, assign, pledge, hypothecate, transfer, or otherwise encumber the Restricted Stock. Upon any attempt to transfer rights in a share of Restricted Stock, the share and all related rights shall immediately be forfeited by the Participant. Upon the vesting of a share of Restricted Stock, the transfer restrictions of this section shall lapse with respect to that share.

9.4 *Rights as a Shareholder.* Except for the restrictions set forth here and unless otherwise determined by the Committee, the Participant shall have all the rights of a shareholder with respect to shares of Restricted Stock, including but not limited to the right to vote and the right to receive dividends, provided that the Committee, in its sole discretion, may require that any dividends paid on shares of Restricted Stock be held in escrow until all restrictions on the shares have lapsed.

9.5 *Issuance of Certificates.*

(a) Following the date of grant, the Company shall issue a stock certificate, registered in the name of or for the account of the Participant to whom the shares of Restricted Stock were granted, evidencing the shares. Each stock certificate shall bear the following legend:

The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms, and conditions (including forfeiture provisions and restrictions against transfer) contained in the 2003 Boise Incentive and Performance Plan and an Agreement entered into between the registered owner of the shares and the Company.

This legend shall not be removed until the shares vest pursuant to the terms stated.

(b) Each certificate, together with the stock powers relating to the shares of Restricted Stock evidenced by the certificate, shall be held by the Company unless the Committee determines otherwise.

(c) Following the date on which a share of Restricted Stock vests, the Company shall cause to be delivered to the Participant to whom the shares were granted, a certificate evidencing the share free of the legend stated in subsection (a) above.

9.6 *Section 83(b) Election.* The Committee may provide in the Agreement that the Award is conditioned upon the Participant making or not making an election under Section 83(b) of the Code. If the Participant makes an election pursuant to Section 83(b) of the Code, the Participant shall be required to file a copy of the election with the Company within 10 days.

10. *Restricted Stock Units.*

10.1 *Terms and Agreement.* Subject to the terms of the Plan, Restricted Stock Units may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for the Restricted Stock Units granted:

- (a) the number of Restricted Stock Units awarded;
- (b) the purchase price, if any, to be paid by the Participant for each Restricted Stock Unit;
- (c) the restriction period established pursuant to Subsection 10.2;
- (d) rights of the Participant upon termination of employment or service as a Director; and
- (e) any other terms or conditions established by the Committee.

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10.2 *Restriction Period.* At the time of the grant of Restricted Stock Units, the Committee shall establish a restriction period, which may be time-based, based on the achievement of specified Performance Goals, a combination of time- and Performance Goal-based, or based on any other criteria the Committee deems appropriate. The Committee may divide the awarded units into classes and assign a different restriction period for each class. The

Committee may impose any additional conditions or restrictions upon the vesting of the Restricted Stock Units as it deems fit in its sole discretion. If all applicable conditions are satisfied, then upon the termination of the restriction period with respect to a Restricted Stock Unit, the unit shall vest. To the extent required to ensure that a Performance Goal-based Award of Restricted Stock Units to an executive officer is deductible by the Company pursuant to Section 162(m) of the Code, any such Award shall become vested only upon the Committee's determination that the Performance Goals applicable to the Award, if any, have been attained.

10.3 *Payment.* Upon vesting of a Restricted Stock Unit, the Participant shall be entitled to receive payment of an amount equal to the Fair Market Value of one share of Stock. Payment may be made in cash, Stock, or a combination of cash and Stock, in the Committee's sole discretion.

11. *Performance Units.*

11.1 *Terms and Agreement.* Subject to the terms of the Plan, Performance Units may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for the Performance Units granted:

- (a) the number of Performance Units awarded;
- (b) the initial value of a Performance Unit;
- (c) the rights of the Participant upon termination of employment or service as a Director (which may be different based on the reason for termination);
- (d) the performance period and Performance Goals applicable to the Award; and
- (e) any other terms or conditions established by the Committee.

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11.2 *Payment.* After the applicable performance period has ended, the Committee will review the Performance Goals and determine the amount payable with respect to the Award, based upon the extent to which the Performance Goals have been attained within the performance period and any other applicable terms and conditions. Payment of earned Performance Units may be made in cash, Stock, or a combination of cash and Stock, in the Committee's sole discretion.

12. *Performance Shares.*

12.1 *Terms and Agreement.* Subject to the terms of the Plan, Performance Shares may be granted to Participants at any time as determined by the Committee. The Committee shall determine, and the Agreement shall reflect, the following for the Performance Shares granted:

- (a) the number of Performance Shares awarded;
- (b) the performance period and Performance Goals applicable to the Award;
- (c) whether dividend equivalents will be credited with respect to Performance Shares, and if so, any accrual, forfeiture, or payout restrictions on the dividend equivalents;
- (d) the rights of the Participant upon termination of employment or service as a Director (which may be different based on the reason for termination); and
- (e) any other terms or conditions established by the Committee.

12.2 *Initial Value.* The initial value of each Performance Share shall be the Fair Market Value on the date of grant.

12.3 *Payment.* After the applicable performance period has ended, the Committee will review the Performance Goals and determine the amount payable with respect to the Award, based upon the extent to which the Performance Goals have been attained within the performance period and any other applicable terms and conditions. Payment of earned Performance Shares may be made in cash, Stock, or a combination of cash and Stock, as determined by the Committee in its sole discretion.

13. *Annual Incentive Awards.*

13.1 *Award Period and Performance Goals.* The award period for Annual Incentive Awards is a fiscal year, which may be a calendar year. Within 90 days of the beginning of each award period, the Committee shall establish the specific Performance Goals to be achieved in order for Participants to earn an Annual Incentive 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 Performance Goals. This formula may take into account Performance Goals achieved in prior years. The Performance Goals and formula, once established, shall continue for subsequent years unless modified by the Committee. The Performance Goals 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.

13.2 *Payment.* As soon as practical after the conclusion of each year, the Committee shall review and evaluate the Performance Goals applicable to that year in light of the Company's performance measured in accordance with the goals and shall determine whether the goals have been satisfied. If satisfied, the Committee shall so certify in a written statement and shall apply the criteria to determine the amount of the Award for each Participant, subject to the Committee's right to reduce or eliminate the amount of any Award under Section 31. Payment of earned Annual Incentive Awards may be made in cash, Stock, or a combination of cash and Stock, in the Committee's sole discretion. No Award may be paid to a Participant in excess of \$3,000,000 for any single year. If an Award is earned in excess of \$3,000,000, the amount of the Award in excess of this amount shall be deferred in accordance with Section 22.

14. *Stock Bonuses.* Subject to the terms of the Plan, a Stock Bonus may be granted to Participants at any time as determined by the Committee. If the Committee grants a Stock Bonus, a certificate for the shares of Stock constituting the Stock Bonus shall be issued in the name of the Participant to whom the grant was made and delivered as soon as practicable after the date on which the Stock Bonus is payable.

15. *Rights as a Shareholder.* Except as otherwise provided in Section 9.4 with respect to Restricted Stock, no person shall have any rights as a shareholder with respect to any shares of Stock covered by or relating to an Award until the date of issuance of a stock certificate with respect to the shares. Except as otherwise provided in Sections 3.3 and 12.1, no adjustment to any Award shall be made for dividends or other rights for which the record date occurs prior to the date the stock certificate is issued.

16. *Employment Not Guaranteed.* This Plan is not intended to and does not create a contract of employment in any manner. Employment with the Company is at will, which means that either the employee or the Company may end the employment relationship at any time and for any reason. Nothing in this Plan changes, or should be construed as changing, that at-will relationship.

17. *Securities Matters.*

17.1 *Delivery of Stock Certificates.* Notwithstanding anything in this Plan to the contrary, the Company shall not be obligated to issue or deliver any certificates evidencing shares of Stock unless and until (a) the Company is advised by its counsel that the issuance and delivery of certificates is in compliance with all applicable laws, regulations of governmental authority, and the requirements of any securities exchange on which the Stock is traded; and (b) any governmental approvals the Company deems necessary or advisable have been obtained. The Committee may require, as a condition of the issuance and delivery of certificates, that the recipient make any agreements and representations and that the certificates bear any legends as the Committee, in its sole discretion, deems necessary or desirable.

17.2 *When Transfer is Effective.* The transfer of any shares of Stock shall be effective only when counsel to the Company has determined that the issuance and delivery of the shares is in compliance with all applicable laws, regulations, and the requirements of any securities exchange on which shares of Stock are traded. The Committee may, in its sole discretion, defer the effectiveness of any transfer of shares of Stock in order to allow the issuance of the shares to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Committee shall inform the Participant in writing of its decision to defer the effectiveness of a transfer. During the period of deferral in connection with the exercise of an Option, the Participant may, by written notice, withdraw the exercise and obtain the refund of any amount paid in connection with the exercise.

18. *Withholding Taxes.* When cash is to be paid pursuant to an Award, the Company may deduct an amount sufficient to satisfy any federal and state taxes required by law to be withheld. When shares of Stock are to be delivered pursuant to an Award, the Company may require the Participant to remit to the Company in cash an amount sufficient to satisfy any federal and state taxes required by law to be withheld. With the Committee's approval, a Participant may satisfy the foregoing requirement by electing to have the Company withhold from delivery shares of Stock having a value equal to the tax to be withheld. The shares shall be valued at Fair Market Value on the date the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Notwithstanding the foregoing, (i) if the Company is not using APB Opinion 25 to account for equity awards in its financial statements, or (ii) with respect to Annual Incentive Awards or Awards of Performance Units, the Company may permit Participants to elect in writing, subject to restrictions imposed by the Company, to have additional tax withheld in a total amount equal to the tax that could be imposed on the transaction.

19. *Amendment and Termination.* The Board of Directors may, at any time, amend or terminate the Plan; provided that no amendment shall be made without shareholder approval if approval is required under applicable law or if the amendment would (a) decrease the grant or exercise price of any Stock-based Award to less than the Fair Market Value on the date of grant, (b) increase the total number of shares of Stock available under the Plan, or (c) materially increase the cost of the Plan to the company or the benefits to Participants. Any amendment or termination shall not adversely affect the vested or accrued rights or benefits of any Participant without the Participant's prior consent.

20. *Transfers Upon Death; Nonassignability.* Upon the death of a Participant, outstanding Awards granted to the Participant may be exercised only by the executor or administrator of the Participant's estate or by a person who has acquired the right to exercise by will or the laws of descent and distribution. No transfer of an Award by will or the laws of descent and distribution shall be effective to bind the Company unless the Committee has been furnished with (a) written notice and a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the transfer, and (b) an agreement by the transferee to comply with all the terms and conditions of the Award that would have applied to the Participant and to be bound by the acknowledgments made by the Participant in connection with the grant of the Award.

During the lifetime of a Participant, no Award is transferable, except that the Committee may, in its sole discretion, permit the transfer of an outstanding Award to the extent allowable under then-current law. Subject to applicable law, the Committee's approval, and any conditions that the Committee may prescribe, a Participant may, upon providing written notice to the secretary of the Company, elect to transfer an Award to a member or members of his or her immediate family (including, but not limited to, children, grandchildren, and spouse, or a trust for the benefit of immediate family members or a partnership in which immediate family members are the only partners) or to other persons or entities approved by the Committee; provided, however, that no transfer by any Participant may be made in exchange for consideration.

21. *Expenses and Receipts.* The expenses of the Plan shall be paid by the Company. Any proceeds received by the Company in connection with any Award may be used for general corporate purposes.

22. *Deferral of Awards.* A Participant may elect to defer or the Committee may require the deferral of receipt of all or any portion of any Award to a future date as provided in and subject to the terms of the Company's 2001 Key Executive Deferred Compensation Plan or any successor plan, the Agreement, and rules and procedures established by the Committee regarding Award deferrals.

23. *Change in Control Provisions.*

23.1 *Vesting and Exercisability.* Except as otherwise determined by the Committee at the time of grant of an Award, upon a Change in Control:

- (a) all outstanding Option and Stock Appreciation Rights shall become fully vested and exercisable;
- (b) all Performance Goals shall be deemed achieved at target levels and all other terms and conditions met;
- (c) all restrictions and conditions applicable to any Restricted Stock shall lapse;
- (d) all restrictions and conditions applicable to any Restricted Stock Units shall lapse and the Restricted Stock Units shall be paid out as promptly as practicable;
- (e) all Performance Shares shall be delivered;
- (f) all Performance Units shall be paid out as promptly as practicable;

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(g) all Annual Incentive Awards for calendar years ended prior to the Change in Control which have not yet been paid out shall be paid out immediately in cash;

(h) for Annual Incentive Awards for the calendar year during which the Change in Control occurs, all Participants shall be deemed to have achieved a pro rata Award equal to either (i) the Participant's target Annual Incentive Award or (ii) the actual Annual Incentive Award as determined by year-to-date performance through the last day of the month prior to the month in which the Change in Control occurs, in either case multiplied by a fraction, the numerator of which is the number of days which have elapsed from the beginning of the year to the date on which the Change of Control occurs, and the denominator of which is 365, and the Awards shall be paid in cash within 10 days after the Change in Control; and

(i) all other Awards shall be delivered or paid.

23.2 *Surrender and Payment.* Except as determined otherwise by the Committee at the time of grant of an Award, upon a Change in Control, a Participant shall have the right, by giving notice to the Company within 60 days after the Change in Control, to elect to surrender all or part of any Award of Options, Stock Appreciation Rights, Performance Shares, or Restricted Stock and to receive payment in cash within 30 days after the Company receives the notice. Payment shall be calculated as follows: the amount by which the highest price paid per share on the New York Stock Exchange or paid or offered in any bona fide transaction related to a Potential Change in Control or Change in Control, at any time during the preceding 90 days, as determined by the Committee, exceeds the exercise or grant price of the Award, multiplied by the number of shares of Stock as to which the surrender right under this section is exercised.

23.3 *Termination Prior to Change in Control.* Any Participant, whose employment is involuntarily terminated for any reason other than disciplinary reasons within three months prior to the date of the Change in Control, shall be treated, solely for purposes of this Plan, as continuing in the Company's employment until the occurrence of the Change in Control, and to have been terminated immediately thereafter.

23.4 *No Amendment.* Notwithstanding Section 19, upon a Potential Change in Control, the provisions of this plan may not be amended in any manner that would reduce or alter the rights of Participants to any benefit under this Plan without the consent of each affected Participant. Furthermore, notwithstanding Section 19, upon a Change in Control, the provisions of this Section 23 may not be amended in any respect for three years following a Change in Control but may be amended thereafter.

24. *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 compensation manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of the Company. The claim shall include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days for special circumstances by the compensation manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the compensation manager shall notify the claimant in writing. This written notice shall:

- (a) state the specific reasons for the denial;
- (b) refer to Plan provisions on which the determination is based;

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(c) describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary; and

(d) explain how the claimant may submit the claim for review and state applicable time limits.

25. *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 access to or copies of all documents and records relevant to his or claim and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records, or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 24 and shall be filed with the Company's compensation manager. The manager shall promptly inform the Company's senior human resources officer. The senior human resources officer shall make his or

her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall state the facts and specific reasons for the decision and refer to the Plan provisions upon which the decision is based.

26. *Lawsuits; Venue; Applicable Law.* No lawsuit claiming entitlement to benefits under this Plan may be filed prior to exhausting the claims and claims review procedures described in Sections 24 and 25. Any lawsuit must be initiated no later than (a) one year after the event(s) giving rise to the claim occurred, or (b) 60 days after a final written decision was provided to the claimant under Section 25, whichever is sooner. Any legal action involving benefits claimed or legal obligations relating to or arising under this Plan may be filed only in Federal District Court in the city of Boise, Idaho. Federal law shall be applied in the interpretation and application of this Plan and the resolution of any legal action. To the extent not preempted by federal law, the laws of the state of Delaware shall apply.

27. *Participant Rights.* No Participant shall have any claim to be granted any Award under the Plan, and there is no obligation to treat Participants uniformly.

28. *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. The 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 an unfunded and unsecured promise of the Company.

29. *No Fractional Shares.* No fractional shares of Stock shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of any fractional shares or whether fractional shares or any rights to fractional shares shall be forfeited or otherwise eliminated.

30. *Beneficiary.* A Participant who is an Executive Officer or Director may file with the Committee a written designation of a beneficiary on the form prescribed by the Committee and may, from time to time, amend or revoke the designation. If no designated beneficiary survives the Participant, the executor or administrator of the Participant's estate shall be deemed to be the Participant's beneficiary.

31. *Section 162(m).* The Plan is designed and intended, and all provisions shall be construed in a manner, to comply, to the extent applicable, with Section 162(m) of the Code and the regulations thereunder. To the extent permitted by Section 162(m), the Committee shall have sole discretion to

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reduce or eliminate the amount of any Award which might otherwise become payable upon attainment of a Performance Goal.

32. *Form of Communication.* Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Committee or the Company shall be made in writing and in such form as the Company may prescribe. Any communication shall be effective upon receipt by the Company's compensation manager at 1111 West Jefferson Street, P.O. Box 50, Boise, Idaho 83728.

33. *Severability.* If any provision of the Plan is held to be invalid or unenforceable, the other provisions of the Plan shall not be affected.

34. *Effective Date and Term of Plan.* The Plan shall be effective on January 1, 2003, subject to the approval of the shareholders of the Company. In the absence of shareholder approval, any Awards shall be null and void. The Plan will expire on April 16, 2013. The Board of Directors or the Committee may terminate the Plan at any time prior to April 16, 2013. Awards outstanding at the expiration or termination of the Plan shall remain in effect according to their terms and the provisions of the Plan.

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QuickLinks

[Exhibit 10.27](#)

[2003 BOISE INCENTIVE AND PERFORMANCE PLAN \(As amended through December 12, 2003\)](#)

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[2003 BOISE INCENTIVE AND PERFORMANCE PLAN](#)

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Computation of Per Share Earnings

	Year Ended December 31		
	2003	2002	2001
	(thousands, except per-share amounts)		
Basic			
Income (loss) before cumulative effect of accounting changes	\$ 17,075	\$ 11,340	\$ (42,501)
Preferred dividends(a)	(13,061)	(13,101)	(13,085)
Basic income (loss) before cumulative effect of accounting changes	4,014	(1,761)	(55,586)
Cumulative effect of accounting changes, net of income tax	(8,803)	—	—
Basic loss	\$ (4,789)	\$ (1,761)	\$ (55,586)
Average shares used to determine basic income (loss) per common share	60,093	58,216	57,680
Basic income (loss) per common share before cumulative effect of accounting changes	\$.07	\$ (.03)	\$ (.96)
Cumulative effect of accounting changes	(.15)	—	—
Basic loss per common share	\$ (.08)	\$ (.03)	\$ (.96)
Diluted			
Basic income (loss) before cumulative effect of accounting changes	\$ 4,014	\$ (1,761)	\$ (55,586)
Preferred dividends eliminated	13,061	13,101	13,085
Supplemental ESOP contribution	(11,829)	(11,809)	(11,738)
Diluted income (loss) before cumulative effect of accounting changes	5,246	(469)	(54,239)
Cumulative effect of accounting changes	(8,803)	—	—
Diluted loss	\$ (3,557)	\$ (469)	\$ (54,239)
Average shares used to determine basic loss per common share	60,093	58,216	57,680
Stock options and other	734	355	447
Series D Convertible Preferred Stock	3,353	3,519	3,670
Average shares used to determine diluted income (loss) per common share	64,180	62,090	61,797
Diluted income (loss) per common share before cumulative effect of accounting changes	\$.08 (b)	\$ (.01)(b)	\$ (.88)(b)
Cumulative effect of accounting changes	(.14)	—	—
Diluted loss per common share(b)	\$ (.06)	\$ (.01)	\$ (.88)

(a) 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.

(b) For the years ended December 31, 2003, 2002, and 2001, the computation of diluted loss per common share was antidilutive; therefore, amounts reported for basic and diluted loss were the same.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges

Year Ended December 31

	2003	2002	2001	2000	1999
	(thousands, except ratios)				
Interest costs	\$ 134,930	\$ 133,762	\$ 129,917	\$ 152,322	\$ 146,124
Guarantee of interest on ESOP debt	3,976	6,405	8,732	10,880	12,856
Interest capitalized during the period	391	3,937	1,945	1,458	238
Interest factor related to noncapitalized leases(a)	15,974	11,128	11,729	13,394	13,065
Total fixed charges	\$ 155,271	\$ 155,232	\$ 152,323	\$ 178,054	\$ 172,283
Income (loss) before income taxes, minority interest, and cumulative effect of accounting changes	\$ 19,297	\$ (12,214)	\$ (48,558)	\$ 298,331	\$ 355,940
Undistributed (earnings) losses of less than 50% owned entities, net of distributions received	(8,695)	2,435	8,039	(2,061)	(6,115)
Total fixed charges	155,271	155,232	152,323	178,054	172,283
Less: Interest capitalized	(391)	(3,937)	(1,945)	(1,458)	(238)
Guarantee of interest on ESOP debt	(3,976)	(6,405)	(8,732)	(10,880)	(12,856)
Total earnings before fixed charges	\$ 161,506	\$ 135,111	\$ 101,127	\$ 461,986	\$ 509,014
Ratio of earnings to fixed charges	1.04	—	—	2.59	2.95
Excess of fixed charges over earnings before fixed charges	\$ —	\$ 20,121	\$ 51,196	\$ —	\$ —

(a) Interest expense for operating leases with terms of one year or longer is based on an imputed interest rate for each lease.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Ratio of Earnings to Combined Fixed Charges
and Preferred Dividend Requirements

Year Ended December 31

	2003	2002	2001	2000	1999
	(thousands, except ratios)				
Interest costs	\$ 134,930	\$ 133,762	\$ 129,917	\$ 152,322	\$ 146,124
Interest capitalized during the period	391	3,937	1,945	1,458	238
Interest factor related to noncapitalized leases(a)	15,974	11,128	11,729	13,394	13,065
Total fixed charges	151,295	148,827	143,591	167,174	159,427
Preferred stock dividend requirements—pretax	13,864	14,548	15,180	16,019	17,129
Combined fixed charges and preferred dividend requirements	\$ 165,159	\$ 163,375	\$ 158,771	\$ 183,193	\$ 176,556
Income (loss) before income taxes, minority interest, and cumulative effect of accounting changes	\$ 19,297	\$ (12,214)	\$ (48,558)	\$ 298,331	\$ 355,940
Undistributed (earnings) losses of less than 50% owned entities, net of distributions received	(8,695)	2,435	8,039	(2,061)	(6,115)
Total fixed charges	151,295	148,827	143,591	167,174	159,427
Less interest capitalized	(391)	(3,937)	(1,945)	(1,458)	(238)
Total earnings before fixed charges	\$ 161,506	\$ 135,111	\$ 101,127	\$ 461,986	\$ 509,014
Ratio of earnings to combined fixed charges and preferred dividend requirements	—	—	—	2.52	2.88
Excess of combined fixed charges and preferred dividend requirements over total earnings before fixed charges	\$ 3,653	\$ 28,264	\$ 57,644	\$ —	\$ —

(a) Interest expense for operating leases with terms of one year or longer is based on an imputed interest rate for each lease.

BOISE'S CODE OF ETHICS

Integrity is one of Boise's core values.

That means we will do the right thing and will act honestly, fairly, and in accordance with all laws applicable to our operations. We will treat our fellow employees and associates with the utmost respect and courtesy, deal with our customers and vendors fairly, and avoid conflicts of interest in personal and professional relationships. In addition we will comply with the specific ethical standards in this Code.

Applicability

This Code of Ethics applies to all officers, directors, employees, associates, and agents of the company and of any company that we own or manage.

Health and Safety

We are committed to providing a safe and healthy workplace.

Environment

Our operations should never pose any significant risk to public health or the environment. We will comply with the letter and the spirit of all environmental laws and regulations and act as a good steward of our timberlands. When appropriate, we will use appropriate supply chain management techniques to extend our environmental values to our procurement of raw materials and finished products.

Accounting Records; Full Disclosure; Improper Payments

- We will maintain complete and accurate books of account. Our financial records will comply with applicable laws, rules, regulations, and accounting standards and will not contain false, artificial, or misleading entries.
- We will make full, fair, timely, and understandable disclosure of our financial results and condition and other material events or matters specifically called for under securities regulations.
- We will not pay bribes or kickbacks or falsely document any payment or transaction.
- We will use adequate internal control procedures to ensure that our record keeping and financial disclosures meet our obligations.

Company Information and Assets

We will use company assets only for company purposes and will take all reasonable steps to protect those assets from loss, damage, or unauthorized access or use by others. This standard applies to both physical assets and to company information.

Corporate Opportunities

Associates, employees, officers, directors and agents of Boise will not:

- Appropriate business opportunities presented to the company;
- Use their positions with the company or use company information or property for personal gain;
- Compete with Boise.

Conflicts of Interest

Associates, employees, officers, directors, and agents are all required to be free from actual or apparent conflicts of interest.

Stock and Insider Trading

Neither the company nor any of its officers, directors, associates, or employees will trade in the company's stock or other securities while in possession of material undisclosed information concerning the company. We will not engage in selective disclosure of material information to members of the securities industry or others.

Legal Compliance

It is our policy to comply at all times with the laws and regulations that apply to our business.

Equal Opportunity and Harassment

- We will provide equal employment opportunities to all job applicants and employees without regard to race, religion, color, gender, age, national origin, citizenship, physical or mental disability, sexual orientation, or veteran status.
- We will seek to maintain a diversified workforce by encouraging the hiring of persons of color, women, disabled individuals, and veterans.
- We will provide a professional work environment free from harassing behavior.

Gifts and Business Courtesies

Neither the company nor any of its officers, directors, employees, associates, or agents will give or accept business gratuities which are improper or create an appearance of impropriety for the giver or receiver of the gift.

Governmental Affairs

- The company will participate in the political process, but such participation will comply with the letter and spirit of laws applicable to such activities.
- Associates, employees, officers, and directors are encouraged to participate in the political process, but they are required to make it clear when they are acting on behalf of Boise and when they are acting on their own behalf.
- No employee, associate, officer, or director will be required to take public positions on behalf of the company that are repugnant or fundamentally unacceptable to him or her on a personal level.

Fair Dealing

We will deal fairly with customers, suppliers, competitors, and employees.

Waivers and Violations

Each associate, employee, officer, and director is responsible for knowing and complying with this Code of Ethics. If any of us violate the Code of Ethics, we are subject to discipline, including termination.

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Situations may arise from time to time that justify a formal waiver of a provision of this Code of Ethics for an individual. These issues will generally be addressed by the individual's supervisor and the General Counsel. If the individual involved is an executive officer or director, a waiver may be granted only by the Audit Committee of the Board of Directors. Any such waiver granted by the Audit Committee will be promptly disclosed on Boise's Internet site.

We will investigate all reports of suspected violations of our Code of Ethics. All associates, employees, officers, and directors are expected to cooperate fully with any investigation. If a violation is verified, we will correct the violation and take appropriate action to prevent it from happening again.

Reporting

If employees or associates suspect a violation, they are asked to report it to their supervisors, to the Legal Department, to the Internal Audit Department, or for EEO and harassment issues, to the Manager, EEO. Boise also maintains a toll-free confidential phone line which is available for reporting suspected violations by employees and associates. No one is required to give their name when using the toll-free confidential phone line. Callers may request that an issue relating to accounting, internal accounting or controls, or auditing be reported directly to the Audit Committee of the Board of Directors. We will maintain procedures that assure that any such report is provided to the Audit Committee along with the results of our investigation. No action will be taken or tolerated against an employee or associate who, in good faith, reports a suspected violation of our Code of Ethics.

Additional Help and Information

Questions about the company's Code of Ethics should be directed to the Legal Department at 208-384-7460.

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QuickLinks

[Exhibit 14](#)

[BOISE'S CODE OF ETHICS](#)

Subsidiaries of the registrant are as follows:

	State or Other Jurisdiction of Incorporation or Organization
BCOP Nevada Company	Nevada
Boise Cascade Office Products Corporation	Delaware
Boise Cascade Trust I	Delaware
Boise Southern Company	Louisiana
Grand & Toy Limited	Canada
Loving Creek Funding Corporation	Delaware
New Zealand Office Products Limited	New Zealand
OfficeMax, Inc.	Ohio
Picabo Holdings, Inc.	Delaware

Note: The names of various consolidated wholly owned subsidiaries have been omitted. None of the omitted subsidiaries, considered either alone or together with the other omitted subsidiaries, constitutes a significant subsidiary.

**CEO CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, George J. Harad, chief executive officer of Boise Cascade Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of Boise Cascade Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and
 - c. disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2004

/s/ George J. Harad

George J. Harad
Chief Executive Officer

**CFO CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Theodore Crumley, chief financial officer of Boise Cascade Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of Boise Cascade Corporation;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and
 - c. disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 2, 2004

/s/ Theodore Crumley

Theodore Crumley
Chief Financial Officer

**SECTION 906 CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER OF
BOISE CASCADE CORPORATION**

We are providing this Certificate pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C., Section 1350. It accompanies Boise Cascade Corporation's annual report on Form 10-K for the year ended December 31, 2003.

I, George J. Harad, Boise Cascade Corporation's chief executive officer, certify that:

(i) the Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(ii) the information contained in the Form 10-K fairly presents, in all material respects, Boise Cascade Corporation's financial condition and results of operations.

/s/ George J. Harad

George J. Harad
Chief Executive Officer

I, Theodore Crumley, Boise Cascade Corporation's chief financial officer, certify that:

(i) the Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(ii) the information contained in the Form 10-K fairly presents, in all material respects, Boise Cascade Corporation's financial condition and results of operations.

/s/ Theodore Crumley

Theodore Crumley
Chief Financial Officer

Dated: March 2, 2004

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