

STATE STREET CORP
Form SC 13G
March 06, 2013

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No:)

STATE STREET CORP.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

857477103

(CUSIP Number)

December 31, 2012

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 857477103

(1) Names of reporting persons. BlackRock, Inc.

(2) Check the appropriate box if a member of a group
(a)

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(b) [X]

(3) SEC use only

(4) Citizenship or place of organization

Delaware

Number of shares beneficially owned by each reporting person with:

(5) Sole voting power

26512290

(6) Shared voting power

None

(7) Sole dispositive power

26512290

(8) Shared dispositive power

None

(9) Aggregate amount beneficially owned by each reporting person

26512290

(10) Check if the aggregate amount in Row (9) excludes certain shares

(11) Percent of class represented by amount in Row 9

5.70%

(12) Type of reporting person

HC

Item 1.

Item 1(a) Name of issuer:

STATE STREET CORP.

Item 1(b) Address of issuer's principal executive offices:

625 9TH STREET PO BOX 1400
RAPID SD 57709

Item 2.

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2(a) Name of person filing:

BlackRock, Inc.

2(b) Address or principal business office or, if none, residence:

BlackRock Inc.
40 East 52nd Street
New York, NY 10022

2(c) Citizenship:

See Item 4 of Cover Page

2(d) Title of class of securities:

Common Stock

2(e) CUSIP No.:

See Cover Page

Item 3.

If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:

- Broker or dealer registered under Section 15 of the Act;
- Bank as defined in Section 3(a)(6) of the Act;
- Insurance company as defined in Section 3(a)(19) of the Act;
- Investment company registered under Section 8 of the Investment Company Act of 1940;
- An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);
- An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
- A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940;
- A non-U.S. institution in accordance with Rule 240.13d-1(b)(1)(ii)(J);
- Group, in accordance with Rule 240.13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with Rule 240.13d-1(b)(1)(ii)(J), please specify the type of institution:

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

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Amount beneficially owned:

26512290

Percent of class

5.70%

Number of shares as to which such person has:

Sole power to vote or to direct the vote

26512290

Shared power to vote or to direct the vote

None

Sole power to dispose or to direct the disposition of

26512290

Shared power to dispose or to direct the disposition of

None

Item 5.

Ownership of 5 Percent or Less of a Class. If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following [].

Item 6. Ownership of More than 5 Percent on Behalf of Another Person

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than 5 percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the common stock of STATE STREET CORP..

No one person's interest in the common stock of STATE STREET CORP.

is more than five percent of the total outstanding common shares.

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Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

See Exhibit A

Item 8. Identification and Classification of Members of the Group

If a group has filed this schedule pursuant to Rule 13d-1(b) (ii) (J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identity of each member of the group.

Item 9. Notice of Dissolution of Group

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity.

See Item 5.

Item 10. Certifications

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 4, 2013
BlackRock, Inc.

Signature: Matthew J. Fitzgerald

Name/Title Attorney-In-Fact

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized

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representative other than an executive officer or general partner of the filing person, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

Subsidiary

BlackRock Advisors, LLC
BlackRock Capital Management, Inc.
BlackRock Financial Management, Inc.
BlackRock Investment Management, LLC
BlackRock Investment Management (Australia) Limited
BlackRock (Luxembourg) S.A.
BlackRock (Netherlands) B.V.
BlackRock Fund Managers Limited
BlackRock Life Limited
BlackRock Asset Management Australia Limited
BlackRock Asset Management Canada Limited
BlackRock Asset Management Ireland Limited
BlackRock Advisors (UK) Limited
BlackRock Fund Advisors
BlackRock International Limited
BlackRock Institutional Trust Company, N.A.
BlackRock Japan Co. Ltd.
BlackRock Investment Management (UK) Limited

*Entity beneficially owns 5% or greater of the outstanding shares of the security class being reported on this Schedule 13G.

Exhibit B

POWER OF ATTORNEY

The undersigned, BLACKROCK, INC., a corporation duly organized under the laws of the State of Delaware, United States (the "Company"), does hereby make, constitute and appoint each of Matthew Mallow, Howard Surloff, Edward Baer, Bartholomew Battista, Dan Waltcher, Karen Clark, Daniel Ronnen, John Stelley, Brian Kindelan, John Blevins, Richard Froio, Matthew Fitzgerald and Con Tzatzakis acting severally, as its true and lawful attorneys-in-fact, for the purpose of, from time to time, executing in its name and on its behalf, whether the Company is acting individually or as representative of others, any and all documents, certificates, instruments, statements, other filings and amendments to the foregoing (collectively, "documents") determined by such person to be necessary or appropriate to comply with ownership or

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control-person reporting requirements imposed by any United States or non-United States governmental or regulatory authority, including without limitation Forms 3, 4, 5, 13D, 13F, 13G and 13H and any amendments to any of the foregoing as may be required to be filed with the Securities and Exchange Commission, and delivering, furnishing or filing any such documents with the appropriate governmental, regulatory authority or other person, and giving and granting to each such attorney-in-fact power and authority to act in the premises as fully and to all intents and purposes as the Company might or could do if personally present by one of its authorized signatories, hereby ratifying and confirming all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof. Any such determination by an attorney-in-fact named herein shall be conclusively evidenced by such person's execution, delivery, furnishing or filing of the applicable document.

This power of attorney shall expressly revoke the power of attorney dated 30th day of November, 2011 in respect of the subject matter hereof, shall be valid from the date hereof and shall remain in full force and effect until either revoked in writing by the Company, or, in respect of any attorney-in-fact named herein, until such person ceases to be an employee of the Company or one of its affiliates.

IN WITNESS WHEREOF, the undersigned has caused this power of attorney to be executed as of this 10th day of July, 2012.

BLACKROCK, INC.

By: _ /s/ Chris Leavy
Name: Chris Leavy
Title: Chief Investment Officer

DTH="65%" style="font-family:times;">

Title of Each Class of Securities

to be Registered
Proposed Maximum
Offering Price(1)(2)
Amount of
Registration Fee(3)

Common Stock, \$0.01 par value per share

\$200,000,000 \$27,280

- (1) Includes the offering price of the shares of common stock that may be sold if the option to purchase additional shares granted by us to the underwriters is exercised in full.
- (2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.
- (3)

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Calculated by multiplying 0.00013640 by the proposed maximum offering price.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

* Boise Cascade, L.L.C., the registrant whose name appears on the cover of this registration statement, is a Delaware limited liability company. Prior to the effectiveness of this registration statement, Boise Cascade, L.L.C. will be converted into a Delaware corporation and renamed Boise Cascade Company. Shares of the common stock of Boise Cascade Company are being offered by the prospectus. Except as disclosed in the prospectus, the consolidated financial statements and selected historical consolidated financial data and other financial information included in this registration statement are those of Boise Cascade, L.L.C. and its subsidiaries and do not give effect to the corporate conversion.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell these securities nor a solicitation of an offer to buy these securities in any jurisdiction where the offer and sale is not permitted.

Subject to Completion
Preliminary Prospectus dated November 15, 2012

PROSPECTUS

Shares

Common Stock

This is the initial public offering of shares of common stock of Boise Cascade Company.

We are selling _____ shares of our common stock.

We expect the public offering price to be between \$ _____ and \$ _____ per share. Currently, no public market exists for the shares. After pricing of the offering, we expect that the shares will trade on the New York Stock Exchange under the symbol "BCC."

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 15 of this prospectus.

	Per Share	Total
Public offering price	\$ _____	\$ _____
Underwriting discounts	\$ _____	\$ _____
Proceeds, before expenses, to us	\$ _____	\$ _____

The underwriters may also exercise their option to purchase up to _____ additional shares from us at the initial public offering price, less the underwriting discount, for a period of 30 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about _____, 2013.

Joint Book-Running Managers

BofA Merrill Lynch

Goldman, Sachs & Co.

Deutsche Bank Securities

J.P. Morgan

Wells Fargo Securities

The date of this prospectus is _____, 2013.

Table of Contents

TABLE OF CONTENTS

	Page
<u>PROSPECTUS SUMMARY</u>	<u>1</u>
<u>RISK FACTORS</u>	<u>15</u>
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	<u>28</u>
<u>INDUSTRY AND MARKET DATA</u>	<u>29</u>
<u>USE OF PROCEEDS</u>	<u>30</u>
<u>DIVIDEND POLICY</u>	<u>31</u>
<u>CAPITALIZATION</u>	<u>32</u>
<u>DILUTION</u>	<u>34</u>
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA</u>	<u>36</u>
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>39</u>
<u>BUSINESS</u>	<u>64</u>
<u>MANAGEMENT</u>	<u>84</u>
<u>EXECUTIVE COMPENSATION</u>	<u>91</u>
<u>SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>121</u>
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	<u>123</u>
<u>DESCRIPTION OF CERTAIN INDEBTEDNESS</u>	<u>125</u>
<u>DESCRIPTION OF CAPITAL STOCK</u>	<u>127</u>
<u>SHARES ELIGIBLE FOR FUTURE SALE</u>	<u>132</u>
<u>CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS</u>	<u>134</u>
<u>UNDERWRITING</u>	<u>138</u>
<u>LEGAL MATTERS</u>	<u>145</u>
<u>EXPERTS</u>	<u>145</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>145</u>
<u>INDEX TO CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>F-1</u>

We have not and the underwriters have not authorized anyone to provide you with any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where such offers and sales are permitted. The information in this prospectus or any free writing prospectus is accurate only as of its date, regardless of its time of delivery or the time of any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Table of Contents

PROSPECTUS SUMMARY

The following is a summary of material information discussed in this prospectus. This summary may not contain all the details concerning our business, our common stock or other information that may be important to you. You should carefully review this entire prospectus, including the "Risk Factors" section and our consolidated financial statements and the notes thereto included elsewhere in this prospectus, before making an investment decision.

As used in this prospectus, unless the context otherwise indicates, the references to "Boise Cascade," "we," "our," or "us" refer to Boise Cascade, L.L.C., together with its subsidiaries, prior to our conversion to a Delaware corporation and Boise Cascade Company and its consolidated subsidiaries on or after such conversion. Unless otherwise indicated or the context otherwise requires, financial and operating data in this prospectus reflects the consolidated business and operations of Boise Cascade, L.L.C. and its wholly-owned subsidiaries prior to the conversion of Boise Cascade, L.L.C. into a corporation and Boise Cascade Company and its wholly-owned subsidiaries on and after such conversion. For a definition of EBITDA, see Note 6 to " Summary Historical Consolidated Financial Data." In addition, for a definition of segment income (loss) and a reconciliation of segment income (loss) to EBITDA for the twelve months ended September 30, 2012 ("LTM" or the "LTM period"), see "Business Wood Products" and " Building Materials Distribution," as applicable.

Our Company

We are a large, vertically-integrated wood products manufacturer and building materials distributor with widespread operations throughout the United States and Canada. We are the second largest manufacturer of laminated veneer lumber ("LVL"), I-joists (together "engineered wood products" or "EWP") and plywood in North America. We are also one of the largest stocking wholesale distributors of building products in the United States. Our broad line of products is used primarily in new residential construction, residential repair and remodeling projects, light commercial construction and industrial applications. We believe our large, vertically-integrated operations provide us with significant advantages over less integrated competitors and position us to optimally serve our customers. We have a broad base of more than 4,500 customers, which includes a diverse mix of leading wholesalers, home improvement centers, retail lumberyards and industrial converters. In the LTM period, no single customer represented more than 11% of sales and our top ten customers represented less than 31% of sales. For the LTM period, we generated sales of \$2,631.9 million, income before interest and taxes of \$45.7 million and EBITDA of \$80.1 million.

We supply our customers through 49 strategically located facilities (consisting of 18 manufacturing facilities and 31 distribution facilities). In addition to the vertical integration between our manufacturing and distribution operations, our EWP manufacturing facilities are closely integrated with our nearby plywood operations, which allows us to optimize both production processes. Throughout the housing downturn, we have continued to make strategic capital investments to increase our manufacturing capacity and expand our building materials distribution network. We believe that our scale, closely integrated businesses and significant capital investments throughout the downturn provide us with substantial operating leverage to benefit from a recovery in the U.S. housing market.

Table of Contents

We operate our company through two primary segments: our Wood Products segment and our Building Materials Distribution segment. The charts below summarize the breakdown of our business for the LTM period.

LTM SALES BY SEGMENT(1)(2)

LTM EBITDA BY SEGMENT(1)(3)

-
- (1) Financial data for the LTM period presented in this prospectus is derived by adding financial data for the year ended December 31, 2011 to financial data for the nine months ended September 30, 2012 and subtracting financial data for the nine months ended September 30, 2011.
- (2) Segment percentages are calculated before intersegment eliminations.
- (3) Segment percentages exclude Corporate and Other segment expenses.

Wood Products (\$69.2 million, or 73%, of LTM EBITDA). Our Wood Products segment is the second largest manufacturer of EWP and plywood in North America, with a highly integrated national network of 17 manufacturing facilities. Our wood products are used primarily in new residential construction, residential repair and remodeling projects and light commercial construction. We are focused on profitably gaining EWP market share and maintaining a strong market presence in plywood and pine lumber by providing superior customer service and distribution support. We manufacture LVL, I-joists and laminated beams, which are high-grade, value-added structural products used in applications where additional strength and consistent quality are required. LVL is also used in the manufacture of engineered I-joists, which are assembled by combining a vertical web of oriented strand board ("OSB") with top and bottom LVL or solid wood flanges. We also produce plywood, studs, particleboard and ponderosa pine lumber, a premium lumber grade sold primarily to manufacturers of specialty wood windows, moldings and doors. We enjoy the benefit of long-term wood supply agreements put in place in 2005 following the sale of our timberlands, under which we purchase timber at market-based prices. Approximately 40% of our log consumption is typically supplied through these agreements, giving us access to timberlands near our manufacturing operations.

Our EWP manufacturing facilities are closely integrated with our nearby plywood operations to optimize our veneer utilization by enabling us to dedicate higher quality veneers to higher margin applications and lower quality veneers to plywood products, giving us an advantage over our less integrated competitors. For the LTM period, EWP, plywood and lumber accounted for 35%, 44% and 9%, respectively, of our Wood Products sales. Most of our wood products are sold to leading wholesalers (including our Building Materials Distribution segment), home improvement centers, retail lumberyards and industrial converters. In the LTM period, approximately 37% of our Wood Products sales, including approximately 71% of our EWP sales, were to our Building Materials Distribution segment. For the LTM period, our Wood Products segment generated sales, income before interest and taxes and EBITDA of \$893.0 million, \$43.7 million and \$69.2 million, respectively.

Table of Contents**Audit Committee**

The current members of the Audit Committee are Ms. Williams (Chairman) and Messrs. Flury, Kontny, and Underwood. The Supervisory Board has determined that Ms. Williams, Chairman of the Audit Committee, is independent as defined in the Exchange Act and under the New York Stock Exchange Listed Company Manual and meets the definition of "audit committee financial expert", as such term is defined under the rules of the Securities and Exchange Commission (the "SEC"), and the definition of "financial expert" as defined by the Dutch Corporate Governance Code. The Supervisory Board has also determined that Ms. Williams and Messrs. Flury, Kontny, and Underwood possess the necessary level of financial literacy required to enable them to serve effectively as Audit Committee members. We maintain an Internal Audit Department to provide the Audit Committee and management with ongoing assessments of our system of internal controls.

The Audit Committee met seven times during 2007. Its primary duties and responsibilities include assisting the Supervisory Board in overseeing:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- our independent registered public accounting firm's qualifications and independence;
- the performance of our independent registered public accounting firm and our internal audit function; and
- our system of disclosure and internal controls regarding finance, accounting, legal compliance and ethics.

The Audit Committee has adopted policies and procedures for pre-approving all audit and permissible non-audit services performed by our independent registered public accounting firm. Under these policies, the Audit Committee pre-approves the use of audit and audit-related services in connection with the approval of the independent registered public accounting firm's audit plan. All services detailed in the audit plan are considered pre-approved. The Audit Committee monitors the audit services engagement as necessary, but no less often than quarterly. It approves any changes in terms, conditions and fees resulting in changes in audit scope, Company structure or other items. Other audit services and non-audit services are pre-approved at the Audit Committee's quarterly meetings. For interim pre-approval of audit and non-audit services, requests and applications are submitted to the Chief Financial Officer, who has been so designated by the Audit Committee for this purpose. The Chief Financial Officer may approve services which are consistent with the permissible services specifically pre-approved by the Audit Committee. Where the services are not specified by the pre-approval policy, and the Chief Financial Officer approves the request or application, it is submitted to the Audit Committee Chairman, or appropriate designated member of the Audit Committee, for pre-approval. All such audit and non-audit services and fees are monitored by the Audit Committee at its quarterly meeting.

Audit Fees

For the years ended December 31, 2007 and 2006, we incurred the following fees for services rendered by our independent registered public accounting firm, Ernst & Young LLP:

Fees	2007	2006
Audit Fees(1)	\$ 5,634,000	\$ 4,973,989

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Audit-Related Fees(2)	\$ 71,500	\$ 56,000
Tax Fees(3)	\$ 405,000	\$ 380,884
All Other Fees(4)	\$ 1,500	\$
Total	\$ 6,112,000	\$ 5,410,873

(1) Audit Fees consist of fees for audit of our annual financial statements; audit of our controls over financial reporting; reviews of our quarterly financial statements; statutory and regulatory audits and consents; financial accounting and reporting consultations; and other services related to SEC matters.

(2) Audit-Related Fees consist of fees for employee benefit plan audits.

Table of Contents

(3) Tax Fees consist of fees for tax consulting services including transfer pricing documentation, tax advisory services and compliance matters.

(4) All Other Fees consist of permitted non-audit services.

All of the fees set forth in the table above were approved by the Audit Committee pursuant to its pre-approval policies and procedures described above.

The Audit Committee considered and concluded that the provision of other services was compatible with maintaining Ernst & Young LLP's independence.

The Audit Committee has established a toll-free number, (866) 235-5687, whereby interested parties may report concerns or issues regarding our accounting or auditing practices to the Audit Committee.

Report of the Audit Committee of the Supervisory Board.

The following is the report of the Audit Committee with respect to our audited financial statements for the year ended December 31, 2007.

The Supervisory Board of Directors has adopted a written charter for the Audit Committee.

We have reviewed and discussed with management the Company's audited financial statements as of and for the year ended December 31, 2007.

We have discussed with the Company's independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

We have received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3600T, and have discussed with the Company's independent registered public accounting firm their independence. The Audit Committee has also reviewed the non-audit services provided by the Company's independent registered public accounting firm as described above and considered whether the provision of those services was compatible with maintaining the Company's independent registered public accounting firm's independence.

Based on the reviews and discussions referred to above, we recommended to the Supervisory Board that the audited financial statements referred to above be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007 for filing with the Securities and Exchange Commission.

Members of the Audit Committee

Marsha C. Williams

(Chairman)

L. Richard Flury

Vincent L. Kontny

Michael L. Underwood

Organization and Compensation Committee

The current members of the Organization and Compensation Committee are Messrs. Kontny (Chairman), Jennett, and Neale and Ms. Williams. The Organization and Compensation Committee met four times in 2007. Its primary duties and responsibilities include the following:

establishment of compensation philosophy, strategy and guidelines for our executive officers and senior management;

administration of our long-term and short-term incentive plans;

Table of Contents

evaluation and approval of corporate goals and objectives relevant to the Chief Executive Officer's and named executive officers' compensation, evaluation of the Chief Executive Officer's and the named executive officers' performance in light of those goals and objectives and setting the Chief Executive Officer's and the named executive officers' compensation level based on this evaluation; and

preparation of the Organization and Compensation Committee report on executive compensation to be included in the proxy statement.

Compensation of the Members of the Supervisory Board

Under our Articles of Association, any decisions on compensation of members of our Supervisory Board are made by our general meeting of shareholders. If any changes need to be made to compensation of members of our Supervisory Board, the Nominating Committee makes recommendations to the Supervisory Board on compensation for the Supervisory Directors. The Supervisory Board would then approve or modify those recommendations and propose them to the shareholders at a general meeting. In making a recommendation, the Nominating Committee receives advice and recommendations from our compensation consultants, Hewitt Associates (Hewitt). Hewitt evaluates our compensation practices and assists in developing our director compensation program. They review supervisory director compensation annually, however, changes to director compensation might not be made every year. Hewitt representatives are present at selected Nominating Committee meetings to discuss supervisory director compensation.

Nominating Committee

The current members of the Nominating Committee are Messrs. Ballengee (Chairman), Flury and Jennett. The Nominating Committee met four times during 2007. Its primary duties and responsibilities include the following:

identification, review, recommendation and assessment of nominees for election as members of the Supervisory Board and the Management Board;

recommendation to the Supervisory Board regarding size, composition, proportion of inside directors and creation of new positions of the Supervisory Board;

recommendation of the structure and composition of, and nominees for, the standing committees of the Supervisory Board;

recommendation of fees to be paid to non-employee Supervisory Directors; and

review of conflicts or potential conflicts of interest to ensure compliance with our Code of Ethics and Business and Legal Compliance Policy and making recommendations to the Supervisory Board concerning the granting of waivers.

Corporate Governance Committee

The current members of the Corporate Governance Committee are Messrs. Neale (Chairman), Ballengee, Flury, Jennett, Underwood, and Kontny and Ms. Williams. The Corporate Governance Committee met four times during 2007. Its primary duties and responsibilities include the following:

evaluation of the performance of the Supervisory Board and management;

review of policies and practices of management in the areas of corporate governance and corporate responsibility;

recommendation to the Supervisory Board of policies and practices regarding the operation and performance of the Supervisory Board; and

development, review and recommendation to the Supervisory Board of a set of corporate governance guidelines.

The Corporate Governance Committee provides an opportunity for the non-management members of the Supervisory Board to meet in regularly scheduled executive sessions for open discussion without management. The

Table of Contents

Chairman of the Corporate Governance Committee, Gary L. Neale, presides at these meetings. We have established a toll-free number, (866) 235-5687, whereby interested parties, including shareholders, may contact non-management directors. Calls to this number for non-management directors will be relayed directly to the chairman of the Audit Committee who will forward it to the appropriate member.

Strategic Initiatives Committee

The current members of the Strategic Initiatives Committee are Messrs. Ballengee (Chairman), Flury and Kontny. The Strategic Initiatives Committee met two times during 2007. Its primary duties and responsibilities include the following:

review and approval of contracts, purchase orders, subcontracts and change orders in the ordinary course of business whose price exceeds the approval authority granted by the Supervisory Board to the Chief Executive Officer; and

review and recommend to the Supervisory Board with respect to other matters exceeding the authority granted by the Supervisory Board to the Chief Executive Officer.

Information Regarding Meetings

The Supervisory Board held six meetings in 2007. Each of the Supervisory Directors attended at least 75% of the meetings of the Supervisory Board and of each committee of which he or she was a member. We expect that each member of the Supervisory Board will attend the Annual Meeting. Last year, each of the members of the Supervisory Board attended the Annual Meeting.

ITEM 1

ELECTION OF MEMBERS OF THE SUPERVISORY BOARD

The business and general affairs of the Company and the conduct of the business of the Company by the Management Board are supervised by the Board of Supervisory Directors (the Supervisory Board), the members of which are appointed by the general meeting of shareholders. Our Articles of Association provide for at least 6 and no more than 12 Supervisory Directors to serve on the Supervisory Board. The terms of three Supervisory Directors will expire at the date of the Annual Meeting. The Supervisory Board has determined to increase the number of Supervisory Directors from eight to nine. Under the law of The Netherlands, a Supervisory Director cannot be a member of the Management Board of the Company. The general meeting of shareholders held in 2007 appointed our wholly-owned subsidiary Chicago Bridge & Iron Company B.V. as the sole member of the Management Board.

Members of the Supervisory Board are elected to serve three-year terms, with approximately one-third of such members' terms expiring each year. The terms of the members of the Supervisory Board expire at the general meeting of shareholders held in the third year following their election, but supervisory directors whose terms of office expire may be re-elected. The term of office of a member of the Supervisory Board expires automatically on the date of the annual general meeting of shareholders in the year in which the director attains the age of 72; a director whose term expires for this reason may not be re-elected.

As permitted under Dutch law and our Articles of Association, the Supervisory Board is authorized to make binding nominations of two candidates for each open position on the Supervisory Board, with the candidate receiving the greater number of votes being elected. The binding nature of the Supervisory Board's nomination may be overridden by a vote of two-thirds of the votes cast at the meeting if such two-thirds vote constitutes more than one-half of the

issued share capital of the Company. In that case, shareholders would be free to cast their votes for persons other than those nominated below.

Four members of the Supervisory Board are to be elected who will serve until the general meeting of shareholders in 2011. For one position, the Supervisory Board has proposed the election of Mr. Neale and Mr. Reyes. For the second position, the Supervisory Board has proposed the election of Marsha C. Williams and Mr. Stricker. For the third position, the Supervisory Board has proposed the election of Dr. Jennett and Mr. Leventry. For the fourth position, the Supervisory Board has proposed the election of Mr. McVay and Mr. Bordages.

Table of Contents

Based on the guidelines set forth above, the Supervisory Board has determined that Messrs. McVay, Jennett and Neale and Ms. Williams do not have a material relationship with us and, if elected, would be considered as independent members of the Supervisory Board. Messrs. Bordages, Leventry, Stricker and Reyes were recommended by the Chief Executive Officer, are presently our employees and, if elected, would not be considered independent members of the Supervisory Board.

The Supervisory Board is recommending re-election of Gary L. Neale, Marsha C. Williams, and J. Charles Jennett, to the Supervisory Board, on the basis of their extensive professional knowledge and experience, particularly their knowledge of and experience with the Company and its business gained by them in connection with the outstanding services they have provided to the Company to date as Supervisory Directors. Larry D. McVay was recommended by members of the Nominating Committee for his knowledge of and experience with the oil and gas energy sector.

The Following Nominations are Made for a Three-Year Term Expiring in 2011:

First Position

First Nominee

GARY L. NEALE, 68, has served as a Supervisory Director of the Company since 1997 and is Chairman of the Corporate Governance Committee and a member of the Organization and Compensation Committee. Mr. Neale served as Chairman of the Board and Chief Executive Officer of NiSource, Inc., whose primary business is distributing electricity and gas through utility companies. Mr. Neale served as Chief Executive Officer of NiSource, Inc. from 1993 to 2005 and as Chairman of the Board to 2006. He has also served as a director of Northern Indiana Public Service Company since 1989, and as a director of Modine Manufacturing Company (heat transfer products) since 1977.

Second Nominee

LUCIANO REYES, 37, has served as Vice President and Treasurer since February 2006 and previously held positions of increasing responsibility in CB&I's Treasury Department since joining the company in 1998. Prior to joining CB&I, Mr. Reyes held financial positions with USG and with several financial institutions.

Second Position

First Nominee

MARSHA C. WILLIAMS, 57, has served as a Supervisory Director of the Company since 1997. She is Chairman of the Audit Committee and is a member of the Corporate Governance Committee and the Organization and Compensation Committee. Ms. Williams currently serves as Senior Vice President and Chief Financial Officer of Orbitz Worldwide, a position she has held since 2007. From 2002 to 2007, she served as Executive Vice President and Chief Financial Officer of Equity Office Properties Trust, a public real estate investment trust. She served as Chief Administrative Officer of Crate & Barrel from 1998 to 2002, and as Treasurer of Amoco Corporation from 1993 to 1998. Ms. Williams is a director of Selected Funds, Davis Funds and Modine Manufacturing Company, Inc.

Second Nominee

TRAVIS L. STRICKER, 37, has served as Corporate Controller and Chief Accounting Officer since June 2006. He joined CB&I in 2001 and served most recently as Assistant Controller. Previously, he held numerous finance and accounting positions with PDM and PricewaterhouseCoopers LLP.

Third Position

First Nominee

J. CHARLES JENNETT, 67, has served as a Supervisory Director of the Company since 1997. He is a member of the Supervisory Board's Nominating Committee, Organization and Compensation Committee and Corporate Governance Committee. Dr. Jennett served as President of Texas A&M International University from

Table of Contents

1996 to 2001. Upon his retirement in 2001, he was bestowed the title of President Emeritus. From 1992 to 1996, he was Provost and Vice President of Academic Affairs at Clemson University. Dr. Jennett currently serves as a private engineering consultant.

Second Nominee

SAMUEL C. LEVENTRY, 58, has served as Vice President-Technology Services since January 2001. Prior to that, he was Vice President-Engineering from April 1997 to January 2001. Mr. Leventry has been employed by CB&I for over 37 years in various engineering positions.

Fourth Position

First Nominee

LARRY D. MCVAY, 60, has served as Managing Director of Edgewater Energy Partners, LLC since 2007. Prior to becoming Managing Director with Edgewater Energy Partners, Mr. McVay worked in various Engineering, Management and Leadership positions with British Petroleum both domestically and internationally until his retirement from British Petroleum with 38 years of service. Mr. McVay also serves as a director and audit committee member for Callon Petroleum Company and Praxair, Inc.

Second Nominee

DAVID P. BORDAGES, 57, has served as Vice President Human Resources and Administration since 2002. Previously, he was Vice President Human Resources at Fluor Corporation from 1989 to 2002.

THE SUPERVISORY BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF MESSRS. NEALE, JENNETT, MCVAY AND MS. WILLIAMS.

Certain information with respect to the Supervisory Directors whose terms do not expire this year is as follows:

Supervisory Directors to Continue in Office with Terms Expiring in 2010:

MICHAEL L. UNDERWOOD, 63, has served as a Supervisory Director since 2007 and is a member of the Audit Committee and the Corporate Governance Committee. Mr. Underwood worked the majority of his 35-year career in public accounting for Arthur Andersen LLP, where he was a partner. He moved to Deloitte & Touche LLP as a director in 2002, retiring in 2003. He is currently a director and Chairman of the Audit Committee of Dresser-Rand Group.

JERRY H. BALLENGEE, 70, has served as non-executive Chairman of the Supervisory Board since 2006 and as a Supervisory Director of the Company since 1997. He is Chairman of both the Nominating Committee and the Strategic Initiatives Committee and is a member of the Corporate Governance Committee. Mr. Ballengee served as Chairman of the Board of Morris Material Handling Company from 2001 to 2006. He served as President and Chief Operating Officer of Union Camp Corporation from 1994 to 1999, and as a member of the Board of Directors of that company from 1988 until 1999. Prior, he held various other executive positions.

Supervisory Directors to Continue in Office with Terms Expiring in 2009:

PHILIP K. ASHERMAN, 57, has been President and Chief Executive Officer of CB&I since 2006 and a Managing Director since 2004. He joined CB&I in 2001 and from August 2001 to February 2006 he served as our Executive

Vice President and Chief Marketing Officer and from May 2001 to July 2001 served as Vice President-Strategic Sales, Eastern Hemisphere. Prior to joining CB&I, Mr. Asherman served as Senior Vice President of Fluor Global Services and held other executive positions with Fluor Daniel, Inc. operating subsidiaries, including president of its mining and minerals operating group and president of an industrial operating group. He previously held a number of regional executive positions in Europe, South America and Asia.

L. RICHARD FLURY, 60, has served as a Supervisory Director of the Company since 2003, and as a consultant to the Supervisory Board since 2002. He is a member of the Audit Committee, the Corporate Governance

Table of Contents

Committee, the Nominating Committee and the Strategic Initiatives Committee. Previously, Mr. Flury served as Chief Executive, Gas and Power for BP plc from 1998 until his retirement in 2001. He served as Executive Vice President of Amoco, responsible for managing the Exploration and Production sector, from 1996 to 1998. Prior, he served in various other executive capacities with Amoco since 1988. Mr. Flury is also a director of Questar Corporation and Callon Petroleum Corporation.

VINCENT L. KONTNY, 70, has served as a Supervisory Director of the Company since 1997 and is Chairman of the Supervisory Board's Organization and Compensation Committee and is a member of the Audit Committee, the Corporate Governance Committee and the Strategic Initiatives Committee. Mr. Kontny is retired from Washington Group International, where he served as Chief Operating Officer from 2000 to 2001. (Washington Group International filed a petition under Chapter 11 of the U.S. Bankruptcy Code in May 2001). Mr. Kontny was President and Chief Operating Officer of Fluor Corporation from 1990 until 1994, and has been the owner and CEO of the Double Shoe Cattle Company since 1992.

COMMON STOCK OWNERSHIP BY CERTAIN PERSONS AND MANAGEMENT**Security Ownership of Certain Beneficial Owners**

The following table sets forth certain information with respect to each person (including any group as that term is used in Section 13(d)(3) of the Exchange Act) known to us to be the beneficial owner of more than 5% of our issued common shares (based on 97,065,856 shares outstanding as of March 20, 2008).

Name and Address of Beneficial Owner	Common Stock; Euro .01 par value Amount and Nature of Beneficial Ownership	Percent of Class
FMR LLC and Edward C. Johnson 3d(1) 82 Devonshire Street Boston, MA 02109	14,486,770	14.92%
Neuberger Berman Inc.(2) 605 Third Ave. New York, NY 10158	6,939,696	7.15%

(1) Information derived from a Schedule 13G filed February 14, 2008 by FMR LLC reporting beneficial ownership of FMR LLC (f/k/a FMR Corp.) and Mr. Edward C. Johnson 3d, FMR LLC's Chairman, as of December 31, 2007. The shares are beneficially owned by the following direct or indirect wholly-owned subsidiaries of FMR LLC: (i) Fidelity Management & Research Company (12,812,610 shares), (ii) Pyramis Global Advisors Trust Company (1,241,160 shares), and (iii) Pyramis Global Advisors, LLC (430,000 shares); and by Fidelity International Limited (3,000 shares), an entity of which Edward C. Johnson 3d is Chairman and in which his family owns an indirect interest. FMR LLC and Mr. Edward C. Johnson 3d have sole dispositive power as to all of the shares reported, and FMR LLC has sole voting power as to 1,517,560 shares.

(2) Information derived from a Schedule 13G filed February 13, 2008 by Neuberger Berman Inc.; Neuberger Berman, Inc., the parent of Neuberger Berman, LLC, has sole voting power with respect to 2,251,680 of these shares, shared voting power with respect to 4,022,106 of these shares and shared dispositive power with respect to 6,939,696 of these shares. Neuberger Berman, LLC has shared power to make decisions whether to retain or dispose of, and in some cases the sole power to vote, the securities of many unrelated clients. Neuberger

Berman, LLC does not, however, have any economic interest in the securities of those clients. With regard to the 4,022,106 shares with respect to which there is shared voting power, Neuberger Berman, LLC and Neuberger Berman Management Inc. are deemed to be beneficial owners.

Executive Officers

PHILIP K. ASHERMAN, 57, has been President and Chief Executive Officer of CB&I since 2006 and a Managing Director since 2004. He joined CB&I in 2001 and from August 2001 to February 2006 he served as our Executive Vice President and Chief Marketing Officer and from May 2001 to July 2001 served as Vice President-Strategic Sales, Eastern Hemisphere. Prior to joining CB&I, Mr. Asherman served as Senior Vice President of Fluor

Table of Contents

Global Services and held other executive positions with Fluor Daniel, Inc. operating subsidiaries, including president of its mining and minerals operating group and president of an industrial operating group. He previously held a number of regional executive positions in Europe, South America and Asia.

BETH A. BAILEY, 56, was promoted to Executive Vice President-Chief Information Officer in 2007, previously serving as Senior Vice President-Information Technology since 2006. Ms. Bailey joined CB&I in 1972, serving in positions of increasing responsibility.

RONALD A. BALLSCHMIEDE, 52, has served as Executive Vice President and Chief Financial Officer since 2006. Prior to joining CB&I, he was a partner with Deloitte & Touche LLP since 2002. Previously, he worked for Arthur Andersen LLP from 1977 to 2002, becoming a partner in 1989.

RONALD E. BLUM, 58, has served as Executive Vice President – Global Business Development since 2006. Previously, he served as Vice President – Global LNG Sales from 2004 to 2006. Prior to that time, he held a series of positions with increasing responsibility at CB&I and PDM Engineered Construction.

JAMES E. BOLLWEG, 55, was promoted to Executive Vice President – Project Operations in 2008. Previously, he served as President, CBI Services, the Company’s union subsidiary. Mr. Bollweg joined the company in 1975 and has since served in a variety of managerial positions both internationally and in the U.S.

DAVID P. BORDAGES, 57, has served as Vice President – Human Resources and Administration since 2002. Previously, he was Vice President – Human Resources at Fluor Corporation from 1989 to 2002.

DAVID A. DELMAN, 46, has served as Chief Legal Officer, General Counsel and Secretary for CB&I’s Supervisory Board of Directors since 2007. Previously, he was a partner in the international law firm of Pepe & Hazard LLC, specializing in engineering and construction industry issues. From 1992 to 2000, Mr. Delman worked for Fluor Corporation, serving as associate general counsel from 1996.

DANIEL M. McCARTHY, 56, has served as Executive Vice President – Lummus Technology since 2007 when he joined CB&I as part of the Lummus acquisition. Prior to that, he was an Executive Vice President of Lummus. He has held various management positions within the technology businesses of Lummus since its inception in 1987, assuming senior management responsibility for the business in 2004 and for the Lummus Houston EPC Execution Center in 2006.

EDGAR C. RAY, 47, has served as Executive Vice President-Corporate Planning since 2007. He joined CB&I in 2003, serving as Senior Vice President-Global Marketing until 2007. Prior to joining CB&I, Mr. Ray was Executive Director of Strategy and Marketing for Fluor Corporation.

JOHN W. REDMON, 59, has served as Executive Vice President – Operations since 2006. Previously, he led CB&I’s Risk Management group overseeing CB&I’s Project Controls, Procurement, Estimating, and Health, Safety and Environment groups. He served as Executive Vice President of BE&K, Inc. from 1998 to 2006 and Chief Operating Officer of that company from 1999 to 2006. Mr. Redmon began working for Brown & Root, Inc. in 1968 where he served in various positions of increasing responsibility, culminating in the position of Executive Vice President and Chief Operating Officer.

Table of Contents**Security Ownership of Our Management**

The following table sets forth certain information regarding common shares beneficially owned on March 19, 2008 by each Supervisory Director and each nominee to be a Supervisory Director, current named executive officers and by all directors and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percentage of Shares Owned
Philip K. Asherman	257,967	*
Beth A. Bailey	72,637	*
Jerry H. Ballengee	75,803	*
Ronald A. Ballschmiede	71,342	*
Ronald E. Blum	50,281	*
James E. Bollweg	59,128	*
David P. Bordages	75,541	*
David A. Delman	12,423	*
L. Richard Flury	28,126	*
J. Charles Jennett	51,800	*
Vincent L. Kontny	26,000	*
Samuel C. Leventry	11,741	*
Larry D. McVay		*
Gary L. Neale	42,650	*
E. Chip Ray	23,309	*
John W. Redmon	57,267	*
Luciano Reyes	5,893	*
Travis Stricker	8,618	*
Marsha C. Williams	41,449	*
Michael L. Underwood	4,400	*
All directors and executive officers as a group (15) in number)	976,375	0.95%

* Beneficially owns less than one percent of our outstanding common shares.

- (1) Shares deemed beneficially owned include (i) shares held by immediate family members, (ii) shares that can be acquired through stock options exercised through May 8, 2008, and (iii) shares subject to a vesting schedule, forfeiture risk and other restriction, including restricted share units for which the participant has voting rights on the underlying shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our Supervisory Directors, executive officers and persons who own more than 10% of our common shares to file initial reports of ownership and reports of changes in ownership of common shares (Forms 3, 4 and 5) with the SEC and the New York Stock Exchange. All such persons are required by SEC regulation to furnish us with copies of all such forms that they file.

To our knowledge, based solely on our review of the copies of such reports received by us and on written representations by certain reporting persons that no reports on Form 5 were required, we believe that during the year ended December 31, 2007, our Supervisory Directors, executive officers and 10% shareholders complied with all Section 16(a) requirements applicable to them.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis (CD&A) is provided to assist our shareholders in understanding the compensation awarded, earned by, or paid to, the Company's named executive officers during 2007. In addition, the CD&A is intended to put into perspective for our shareholders the compensation tables on pages 23 through 28 and the narrative information that accompanies them.

The first part of this discussion describes the primary objectives of our compensation programs and what they are designed to reward. Following that, we describe the key elements of our compensation and why we have selected those elements of compensation. Finally, we describe how we determine the form and amount of each compensation element to meet our compensation objectives and support our business strategy.

Compensation Objectives, Process and Peer Group

Objectives. We are committed to increasing shareholder value by profitably growing our business in the global marketplace. Our compensation policies and practices are intended to support this commitment by attracting and retaining employees who can manage this growth and rewarding them for profitably growing the Company and achieving the Company's other short and long-term business objectives. We especially want to focus our executive officers (and the others in our management team) on improved financial performance.

We must compete with a wide variety of construction, engineering, heavy industrial and related firms in order to engage, develop and retain a pool of talented employees, who are in increasingly short supply given current overall growth in our industry. To meet this competition, we compensate our executive officers at competitive pay levels while emphasizing performance-based compensation. Our specific objectives are to have:

Programs that will attract new talent and retain key people at reasonable cost to us;

A significant focus on pay for performance;

Equity compensation and ownership requirements for top managers to motivate value creation for all shareholders;

Incentives that emphasize our business strategy of high growth and strong execution; and

Compensation arrangements that can be easily understood by our employees and shareholders.

Setting Our Executive Compensation. The decisions on compensation for our executive officers are made by the Organization & Compensation Committee (O&C Committee) of our Supervisory Board. Our management makes recommendations to the O&C Committee on compensation for executive officers' base salary, target bonus, and the metrics and targets of long-term equity awards. These include recommendations by our CEO on the compensation of his direct reports (generally the named executive officers). The O&C Committee considers these recommendations in executive session and can approve or modify those recommendations. The O&C Committee then determines the compensation for our CEO and the named executive officers. As part of this process, the O&C Committee regularly receives advice and recommendations from a compensation consulting firm, Hewitt, whose services the Committee retains directly.

At the O&C Committee's request Hewitt evaluates our compensation practices and assists in developing and implementing our executive compensation program and philosophy. Hewitt reviews our total compensation pay levels and design practices regularly and offers their comments on our comparator companies, benchmarks and how our compensation programs are actually succeeding in meeting our objectives. Hewitt representatives are present at selected O & C Committee meetings, including executive sessions, to discuss executive compensation matters. Hewitt makes recommendations to the O & C Committee at its request, independently of management, on executive compensation generally and on the individual compensation of executive officers.

The O&C Committee normally determines base salary and annual bonus target for executive officers annually at its regularly scheduled December meeting, to go into effect the following January 1. The O&C Committee normally determines annual bonus amounts earned for the previous year and long-term equity awards and relevant

Table of Contents

performance expectations for the current year for executive officers annually at its regularly scheduled February meeting. The O&C Committee may set salary and grant bonus and equity awards for executive officers at other times to reflect promotions and new hires.

Our Targets and Benchmarks. We set each of base salary, annual bonus target and long-term incentives separately in light of our evaluation of the competitive situation, the executive officer's performance and experience, and the levels of those compensation elements at a peer group of companies. That process determines the mix of base salary, annual bonus and long-term incentives for each of our executives. It also determines the mix of cash and stock compensation, since we regularly pay base compensation and annual bonus in cash, and we regularly pay long-term incentives in stock, to align our executives' interests with those of our shareholders. We then tally the resulting total compensation (including benefits) to confirm that it is appropriate for the position or make adjustments accordingly.

Our policy is to target executive officers' base salary and annual bonus to be at about the size-adjusted median (50th percentile) level of our comparator companies (described just below). Because of our focus on equity-based compensation to align our executive officers' interests with those of our shareholders, our general policy is to target long-term incentive compensation at about the 60th percentile of our comparator companies.

We also review our benefit package, and consider the practices of comparable companies for specific types of benefits. Data provided by Hewitt indicates that the nature and value of the benefits we provide are competitive with those offered by our comparator companies and in some instances moderately above those offered within our industry.

Our Comparator Companies. We compare our compensation practices for our senior management, including the executive officers named in the Summary Compensation Table (named executive officers or NEOs), to other public companies that have national and international business operations by using competitive market data provided by Hewitt. A majority of these companies are our direct competitors in the engineering, procurement and construction field. Some others of these companies are similar-size manufacturing and service companies operating in the same geographic areas and competing for management employees in the same areas of expertise as we do. At companies larger than our own, we look at the compensation provided to officers in charge of divisions or operations similar in size and business to us. Hewitt's competitive market data for the comparator companies is subject to a regression analysis that adjusts that data to the size of our Company and the financial scope of our executives' responsibilities.

The O&C Committee reviews and approves the selection of comparator companies based on their size, business, and presence in our geographic area. The list of comparator companies that we use may change from year to year based on Hewitt's recommendations and our O&C Committee's evaluation of those factors. For 2007, we used the following comparator companies:

BJ Services Co.	McDermott Intl Inc.
Cameron International Corp.	Noble Energy Inc.
Cooper Industries Ltd.	Perini Corp.
Donalson Co. Inc.	Peter Kiewit
Emcor Group Inc.	Quanta Services Inc.
Flowsolve Corp.	Shaw Group Inc.
Fluor Corp.	Stanley Works
FMC Technologies Inc.	Texas Industries Inc.
Foster Wheeler Ltd.	URS Corp.
Granite Construction Inc.	USG Corp.
Jacobs Engineering Group	Vulcan Materials Co.
KBR Inc.	Washington Group Intl Inc.

Kennametal Inc.
Martin Marietta Materials

Worthington Industries

Table of Contents

Elements of Our Compensation

The four key elements of our executive officers' compensation are:

Base salary

Annual bonus

Long-term incentive compensation

Benefits

This section describes the general features of each of these elements. We cover later in this CD&A why we provide each element of compensation and the form we pay it in and how we determine the amount we pay.

Base Salary

Base salaries provide an underlying level of compensation security to executives and allow us to attract competent executive talent and maintain a stable management team. Base salaries reflect the executive's position and role, with some variation for individual factors such as experience and performance. Base salary increases allow executives to be rewarded for individual performance and increased experience based on our evaluation process (described later). Base salary increases for individual performance also reward executives for achieving goals that may not be immediately evident in common financial measurements.

Annual Bonus

Performance-Based Annual Bonus. Bonuses give our executives an increased cash compensation opportunity. They reward our executives for meeting target short-term (annual) personal performance metrics and corporate goals. Executive officers' bonus opportunity recognizes their senior-level responsibilities and duties and the competitive environment in which we must recruit and retain our senior management.

Our Incentive Compensation Plan (the Bonus Plan) sets the terms for awarding bonuses to our executive officers (and other management employees). We revised our Bonus Plan in 2005 and our shareholders approved the amended Bonus Plan at our 2005 annual meeting. Our performance-based annual bonus amounts depend on the Company's performance against predetermined target objectives, which are discussed below. We set these targets annually at the regularly scheduled February meeting of our O&C Committee. We describe in more detail below the applicable performance measures and goals for fiscal year awards and why these performance measures and goals are chosen. Bonuses can be earned for each year and are payable after the end of the year.

Fixed or Discretionary Bonus. In addition to performance-based bonuses, we can pay fixed or discretionary bonuses and we may on occasion pay pre-established minimum bonuses. We do this when we need to compensate newly-hired executive officers for forfeiture of bonuses (or other awards) from their prior employer when they join the Company, or to provide a minimum bonus for an executive officer's first year of employment before his or her efforts (which are what we want to reward) are fully reflected in Company performance, or in some circumstances to encourage retention.

Long-Term Incentive Compensation

Because of our focus on pay for performance, various forms of other incentive compensation are major elements of pay for our executive officers.

Long-Term Incentive Plan. We grant equity awards for our senior managers (including our executive officers) under our 1999 Long-Term Incentive Plan (our "LTIP"). We revised our 1999 Long-Term Incentive Plan in 2005 and our shareholders approved the amended plan at our 2005 annual meeting on May 13, 2005. (We also have a substantially identical 1997 Long-Term Incentive Plan.) The LTIP allows us to award long-term compensation in the form of:

Non-qualified options to purchase shares of Company common stock

Qualified incentive stock options to purchase shares of Company common stock

Table of Contents

Restricted stock shares

Restricted stock units

Performance shares paying out a variable number of shares depending on goal achievement

Performance units which involve cash payments based on either the value of the shares or appreciation in the price of the shares upon achievement of specific goals

We cover later in this CD&A how competitive recruiting conditions and the business cycle affect which form of award is granted and the amount of the award.

Options General. Stock options represent the opportunity to purchase shares of our stock at a fixed price at a future date. Our LTIP requires that the per-share exercise price of our options not be less than the fair market value of a share on the date of grant. (See the discussion on page 21 below regarding how we determine fair market value.) This means that our stock options have value for our executives only if the stock price appreciates from the date the options are granted. This design focuses our executives on increasing the value of our stock over the long term, consistent with shareholders' interests.

Although our LTIP allows us to grant incentive stock options, all the options we have granted have been non-qualified options.

Retention Options. In order to give our senior managers (including our executive officers) an incentive to retain vested shares from prior restricted stock or performance share grants, we grant nonqualified stock options (retention options) upon the vesting of performance shares or restricted stock. The retention options become vested and exercisable on the seventh anniversary of date of grant. However, this vesting and exercisability is accelerated to the third anniversary of date of grant if the individual still retains ownership of the shares that vested (apart from shares withheld for taxes or interfamily financial planning transfers) in connection with the related performance share or restricted stock award.

Retention options cover 40% of the number of shares that vest under such grants. This percentage is intended to make the retention option grant significant enough to motivate the retention of the underlying restricted stock or performance shares. It also approximates the percentage of restricted stock or performance shares that are withheld on vesting to pay income taxes.

Performance Shares. Performance shares are an award of a variable number of shares. The number of performance shares actually earned and issued to the individual depends on Company performance in meeting prescribed goals over a defined period. This means that performance shares are issued and the award has value only to the extent the performance goals are achieved. Performance goals serve the same objectives of creating long-term shareholder value as is the case with stock options, with an additional focus on specific financial performance metrics, usually stated as target earnings per share. In addition, performance shares may be less dilutive of shareholder interests than options of equivalent economic value. We do not pay dividend equivalents on performance shares except during the period, if any, after the shares have been earned by performance but before they are actually issued.

Although the LTIP allows us to grant performance units payable in cash, we have not done so. We believe that payment of performance shares (and indeed all of our long-term incentive compensation) in stock is desirable to give our senior managers (including our executive officers) a continued alignment with the interests of our shareholders generally.

Restricted Stock. Restricted stock represents the right of the participant to vest in shares of stock upon lapse of restrictions. Restricted stock awards are subject to forfeiture during the period of restriction. Depending on the terms of the award, restricted stock may vest over a period of time subject only to the condition that the executive remains an employee (time vesting), or may be subject to additional conditions, such as the Company meeting target performance goals (performance vesting), or both.

Restricted stock is an incentive for retention and performance of both newly hired and continuing executive officers and other key managers. Unlike options, restricted stock retains some value even if the price declines. This means restricted stock gives less of an incentive to increase the value of our stock than options do. Because restricted

Table of Contents

stock is based on and payable in stock, it serves, like options, to reinforce the alignment of interest between our executives and our shareholders. In addition, because restricted stock has a real, current value that is forfeited if an executive quits, it provides a significant retention incentive.

Under our LTIP, restricted stock can be either actual shares of stock issued to the participant, subject to transfer restrictions and the possibility of forfeiture until vested (restricted stock shares), or it can be a Company promise to transfer the fully vested stock in the future if and when the restrictions lapse (restricted stock units). Because of technical tax issues related to the ability to obtain a credit against the Netherlands dividends withholding tax on issued but unvested shares, we usually grant restricted stock in the form of restricted stock units.

During the restriction period, participants are normally paid cash amounts (dividend equivalents) corresponding to the time and amount of actual dividends paid on outstanding shares of common stock.

Benefits

In general, we cover executive officers under the benefit programs described below to provide them with the opportunity to save for retirement and to provide a safety net of protection against the loss of income or increase in expense that can result from termination of employment, illness, disability, or death. Apart from change-of-control arrangements, the benefits we offer to our executive officers are generally the same as those we offer to our salaried employees, with some variation based on industry practices and to replacement of benefits that are limited by regulation.

Retirement Benefits

401(k) Plan. We maintain the Chicago Bridge & Iron Savings Plan (the 401(k) Plan), a tax qualified defined contribution plan, for eligible employees, including but not limited to our executive officers. The plan offers a voluntary pretax salary deferral feature under Section 401(k) of the Internal Revenue Code (the Code); a dollar-for-dollar Company matching contribution up to 3% of a participating employee s considered earnings; a basic additional Company contribution of 5% of each participating employee s considered earnings; and an additional discretionary Company savings plan contribution. The plan allocates Company contributions to participants accounts according to the 401(k) Plan formulas. Participants can invest their accounts in any of a selection of mutual funds, plus a Company stock fund, offered under the Plan.

Excess and Deferred Compensation Plans. The Code limits tax-advantaged benefits for highly compensated employees (a category that includes all of our executive officers) under the 401(k) Plan in several ways: nondiscrimination rules that restrict their deferrals and matching contributions based on the average deferrals and matching contributions of non-highly compensated employees; limits on the total dollar amount of additional contributions for any employee; limits on the total annual amount of elective deferrals; and a limit on the considered earnings used to determine benefits under the 401(k) Plan.

We adopted the Chicago Bridge & Iron Company Excess Benefit Plan (the Excess Plan) to provide retirement benefits for our senior managers (including our executive officers) on the same basis, in proportion to pay, as we provide retirement benefits to all our salaried employees generally. Therefore, we contribute to the Excess Plan the difference between the amount that would have been contributed by the Company to the participants 401(k) Plan accounts but for the Code limitations, and the contributions by the Company actually made to their 401(k) Plan accounts. We make contributions for the Excess Plan to a so-called rabbi trust, with an independent trustee. Earnings on these contributions are determined by participants designation of investment funds from the same group of funds (other than the Company stock fund) that is available under the 401(k) Plan. We fund the rabbi trust currently to ensure that funds will be available to meet the Company s obligations, to facilitate the administration of participants investment

selections, and to hedge our exposure to increases in our obligations resulting from participants' investment selections.

In addition to the Excess Plan we have a Chicago Bridge & Iron Deferred Compensation Plan (the "Deferred Compensation Plan"). This allows our senior managers (including our executive officers) to defer part of their salary and part or all of their bonus. These deferrals are paid upon retirement or other termination of employment or other scheduled events as elected by the participant. These deferrals are also held in a rabbi trust (the "Rabbi Trust").

Table of Contents

Earnings on these deferrals are determined by participants' designation of investment funds from the same group of funds (other than the Company stock fund) that are available under the 401(k) Plan and the Excess Plan.

We do not have any defined benefit or actuarial arrangements for our executive officers or any other U.S. salaried employees.

Severance and Change-Of-Control Benefits.

We have change-of-control severance agreements with certain of our named executive officers and other executive officers. These agreements are intended to assure the retention and performance of executives if a change of control of the Company is pending or threatened. These agreements are designed to reduce the distraction of our executive officers that might otherwise arise from the personal uncertainties caused by a change of control, to encourage the executive's full attention and dedication to the Company, and to provide the executive with compensation and benefits following a change of control that are consistent with general industry best practices. We describe these agreements in more detail beginning on page 29. Here are some of their key features:

These agreements provide some benefits solely upon a change of control and other benefits only when there is both a change of control and a specified type of termination of employment within three years after the change. Upon a change of control, the executive will be entitled to preservation of salary, bonus, retirement, welfare and fringe benefits for a three-year period at levels not less than those in effect before the change of control. Also, the executive will generally be entitled to receive a payment of minimum pro-rata target bonus, immediate vesting of unvested stock options, performance shares, and restricted stock, and an immediate lump sum cash payment of the value of all performance units as if target performance goals were achieved. These benefits assure executives of minimum compensation if they remain employees after a change in control, and also reflect the fact that pre-change performance metrics and targets for equity vesting may no longer be appropriate or meaningful after a change in control.

Upon the executive's termination of employment by the Company without cause, or by the executive with good reason within three years following a change of control, these agreements entitle the executive to a lump sum payment of three times the sum of his annual base salary plus target bonus. The executive will also be entitled to a continuation of medical and other benefits for a three-year period after termination of employment, payment of certain deferred compensation (to the extent not paid upon the change of control), vesting and payment of unvested plan benefits, and Company-provided outplacement services. The agreements also provide that the Company will pay an amount necessary to reimburse each employee, on an after-tax basis, for any excise tax due under Section 4999 of the Code as a result of such payment being treated as a parachute payment under Section 280G of the Code.

The agreements generally define a change of control as:

The acquisition by any person or group of 25% or more of the beneficial interest in the equity of the Company;

Failure of the current Supervisory Board (and members nominated by at least 75% of the then-current Supervisory Board members) to comprise at least 50% of the Supervisory Board;

Supervisory Board or shareholder approval of a merger or reorganization or consolidation resulting in less than 75% continuing ownership by the pre-merger shareholders; or

Supervisory Board or shareholder approval of a transaction by which the parent Company disposes of its operating companies.

We use a 25% threshold to define a change of control because in a Company like ours where stock ownership is fairly widely distributed, a single person (or group) owning 25% of the stock can exercise in practice a disproportionate control over its management and policies.

Depending on the circumstances we also sometimes enter into specific separation agreements with executive officers (or others) who leave the Company. Separation payments for our named executive officers who left the Company in 2006 are described in connection with the schedule of termination payments on pages 32 to 34.

Table of Contents

Employee Stock Purchase Plan.

The Company's predecessor historically maintained an employee stock purchase plan intended to qualify under Section 423 of the Code. The Company adopted a successor employee stock purchase plan (the "Stock Purchase Plan") just after its initial public offering in 1997 to give our employees the opportunity to buy Company stock in a tax-effective manner and thus to help align their interests with those of our shareholders generally. Under the Stock Purchase Plan, employees, including executive officers, electing to participate are granted an option to purchase shares on a specified future date. The purchase price is 85% of the fair market value of such shares on the date of purchase. During specified periods preceding the purchase date, each participating employee can designate up to 8% of after-tax pay (up to a limit of \$25,000 per calendar year) to be withheld and used to purchase as many shares as such funds allow at the discounted purchase price.

Other Benefits.

Our executive officers receive other benefits that we provide to our salaried employees generally. These are:

Medical benefits (including post-retirement medical benefits for employees who retire);

Group term life insurance; and

Short-term and long-term disability protection.

We also provide miscellaneous personal benefits to certain executive officers. These include:

Leased automobiles, which facilitate our executive officers' travel on company business;

Country club dues, where the club enhances our executive officers' opportunities to meet and network with prospective customers and other business leaders;

Annual physical examinations, to help keep our executive officers and their spouses healthy;

Tax and estate planning services, so that our executive officers get the most after-tax value from their compensation and can effectively plan for retirement; and

Travel and temporary housing expenses for executives while they relocate to Texas.

In addition, we have given Messrs. Asherman, Ballschmiede and Bordages an additional five years of service credit toward early retirement eligibility (which is generally attaining age 55 with 10 years of service). Termination of employment by retirement entitles our officers, including our executive officers, to post-retirement medical benefits under our current plan and, subject to the schedule set forth in the particular award and/or approval of the O&C Committee, to vesting in time-vested equity awards plus an extended time to exercise stock options.

Messrs. Asherman, Ballschmiede and Bordages joined us relatively late in their careers. This means that they lost potential retirement benefits for which they might have become eligible from their prior employers, but might not have 10 years of service with the Company at the time they or the Company might want to terminate their employment. The additional service credit is intended to place them in the approximately the same position for retirement benefit eligibility as peer executive officers of the same general age.

Table of Contents

**DETERMINING THE FORM AND AMOUNT OF COMPENSATION ELEMENTS TO MEET OUR
COMPENSATION OBJECTIVES**

Setting Base Salaries

We target base salaries for our senior managers, including our executive officers, at the median of salaries for comparable officer positions at comparator companies. The O&C Committee sets the salaries of our executive officers above or below that target based on differences in individual performance, experience and knowledge, and our comparison of the responsibilities and importance of the position with us to the responsibilities and importance of similar positions at comparator companies. We also consider internal equity within our Company and, when reviewing salary of current officers, their current compensation from the Company.

In evaluating performance, we consider the executive's efforts in promoting our values including for example safety; continuing educational and management training; improving quality; developing strong relationships with clients, suppliers, and employees; and demonstrating leadership abilities among coworkers, among other goals.

Setting Bonuses

Annual Incentive Bonuses. For executive officers, the performance targets or measures for annual incentive bonuses are usually set and communicated to the executives in February of each year, based on our annual operating plan, after discussion and analysis of the business plans within our principal operating subsidiaries. Payment of bonuses is based on attaining specific corporate-wide financial and/or non-financial goals approved by the O&C Committee. For 2007, for named executive officers, a target bonus amount was established for each executive as a percentage of his base salary. For Mr. Asherman, this amount was 90% of base salary. This target is determined after consideration of target bonuses among our comparator companies so as to be at about the median (50th percentile) level. A percentage ranging from 20% (threshold or minimum) through 150% (target) to 200% (maximum) of this amount (with interpolation) is payable based on the Company's attainment of threshold (minimum), target, or maximum results on the financial performance measure selected by the O&C Committee. For 2007, the performance measure for all our executive officers was earnings per share (after tax, on a fully diluted basis), with goals of \$0.70 per share for threshold performance, \$1.40 for target performance, and \$1.75 for maximum performance. These targets for 2007 were achieved at a level of \$1.71 per share.

Discretion. Our O&C Committee may reduce, but not increase, bonuses notwithstanding the achievement of specific performance targets. It exercised this discretion for 2007 bonuses when approving payments in February, 2008. In deciding whether or not to reduce bonuses and in what amount, the O&C Committee considers the Company's performance in backlog, free cash flow, ethics, and safety, the relation of executive officer bonuses to bonuses for our management employees generally, and our executive officers' individual performance in light of individual goals and objectives.

Setting Long-Term Incentive Awards

Our Objectives. In keeping with our commitment to provide a total compensation package that favors equity components of pay, long-term incentives traditionally have comprised a significant portion of an executive's total compensation package. Our objective is to provide executives with long-term incentive award opportunities that are at about the 60th percentile of our comparator companies, with the actual realization of the opportunity dependent on the degree of achieving the financial performance or other conditions of the award and the creation of long-term value for shareholders.

Our Procedures. We generally make our long-term incentive awards at the regularly scheduled meeting of our O&C Committee in February of each year. By this time, we normally have our results for the last year and our annual operating plan for the current year and we are able to set targets and goals for the current year for any performance based-awards we may grant. Making our long-term incentive awards early in the year lets our executives know what the criteria are for any performance-based long-term incentive awards so they can keep those goals in mind going forward.

Table of Contents

Selecting the Type of Award(s). Until 2003, our primary long-term incentives were nonqualified stock option grants. In 2003, we began to reconsider the equity compensation policies in light of the pending changes in accounting principles for options and the dilutive effect of option grants. We began to transition from stock option grants to performance share grants and restricted stock units. The transition to full value shares is intended to maintain our emphasis on creating long-term shareholder value, reduce shareholder dilution, effectively manage the financial cost of equity incentives, provide targeted performance incentives (through performance shares) in lieu of the specific incentive to increase share value provided by options, and provide appropriate retention incentives (in the case of restricted stock). The actual choice among options, performance shares and restricted stock depends on business conditions and the competitive market for executive talent. These are subject to change from year to year, and consequently so is the form of our long-term equity awards.

In 2007 long-term incentive grants therefore took the form of restricted stock grants vesting 25% per year over a four-year period and performance shares vesting 33 1/3% per year over a three-year period provided performance targets are met. This was structured to provide a strong retention incentive while giving management both downside risk and upside potential respecting their awards. The performance share targets are based on earnings per share goals taken directly from our corporate business plan. We expect these goals to be achieved. For performance shares granted in 2005 and 2007 (none were granted in 2006), earnings per share goals for 2007 were achieved at the maximum level.

Determining the Amount of Award(s). When awarding long-term incentives, we consider each executive officer's levels of responsibility, prior experience, historical award data, various performance criteria and compensation practices at our comparator companies. Applying these factors to our benchmark gives us a target dollar value for executive officer long-term incentive awards. These awards are recommended and approved in the form of this target dollar value. Upon approval of this value and the vehicle for the award by our O&C Committee, this dollar value is converted into a number of shares (or options, depending on the form of the award) based on the closing price of the Company's stock on the date of the O&C Committee meeting which approves the award. This conversion is made through a pricing model developed and applied in consultation with Hewitt. It gives us a number of shares (or options), subject to rounding, that makes the fair market value of the award equal to the approved dollar amount.

The pricing model we use for this conversion is a Black-Scholes model for stock options, or similar pricing model for other types of awards. The model and the assumptions for the model may differ from those used to determine the value of the award for financial reporting purposes (which is the value reported in the tables on pages 23 through 28 and in our financial statements). For our grants of restricted stock on February 22, 2007, taking into account the advice of our compensation consultants, we applied an economic value of \$27.55/share to convert the dollar amount of the pro forma awards to stock. This was derived by discounting the grant date closing price of \$30.48/share to reflect the risk of forfeiture. For our grants of performance shares on February 22, 2007, taking into account the advice of our compensation consultants, we applied an economic value of \$24.63/share to convert the dollar amount of the pro forma awards to stock. The specific grants for our named executive officers are shown in the Grants of Plan-Based Awards Table, giving the value in dollars without considering the risk of forfeiture and the number of shares.

Determining Option Timing and Exercise Price. As discussed above, our LTIP requires that the exercise price for any option must be at least equal to 100% of the fair market value of a share on the date the option is granted. It specifies that the date an option is granted is the day on which the O&C Committee acts to award a specific number of shares to a participant at a specific exercise price. In addition, the LTIP stipulates that fair market value is the closing sale price of shares of Company common stock on the principal securities exchange on which they are traded. We follow these requirements in setting the exercise price, which is therefore the grant date closing price.

In the case of retention options, the exercise price was set automatically at the fair market value (closing price) of the stock on the date the retention option is automatically granted, which is the date that the related restricted stock or performance shares vest, which in turn is normally an anniversary of the date the restricted stock was originally

granted or the performance shares were earned.

Table of Contents**Other Matters**

Adjustment or Recovery of Payments. We adopted a formal policy for recovering, at the direction of the O&C Committee in its sole discretion, all or any portion of incentive payments (or in the case of a stock award, the value realized by sale of the stock) that are negatively affected by any restatement of the Company's financial statements as a result of misconduct or fraud. For this purpose, misconduct or fraud includes any circumstance where the forfeiture of an award is required by law, and any other circumstance where the O&C Committee determines in its sole discretion that the individual (i) personally and knowingly engaged in practices that materially contributed to material noncompliance with any financial reporting requirement, or (ii) had knowledge of such material noncompliance or the circumstances giving rise to such noncompliance and failed to take reasonable steps to bring it to the attention of the appropriate individuals within the Company. Requirements of law include Section 304 of the Sarbanes-Oxley Act, under which, if the Company's financials must be restated as a result of misconduct, then our CEO and CFO must repay bonuses, incentive-based compensation, equity based compensation, and stock sale profits if received during the 12-month period following the initial filing of the financial statements that required restatement.

Tax, Accounting and Regulatory Considerations. We take tax, accounting, and regulatory requirements into consideration in choosing the particular elements of our compensation and in the procedures we use to set and pay those elements. As discussed above in connection with setting the type of long-term incentive awards, the financial statement presentation of options compared to other equity awards played a part in our selection of long-term equity compensation vehicles.

We want to pay compensation in the most tax-effective manner reasonably possible and therefore also take tax considerations into account. As discussed above under Elements of our Compensation, our decision to provide restricted stock in the form of restricted stock units rather than restricted stock shares is based on the interplay between Netherlands taxes and applicable tax credits.

We also consider the requirements of Sections 162(m) and 409A of the Code. Section 162(m) provides that payments of compensation in excess of \$1,000,000 annually to a covered employee (the CEO and each of the three-highest paid executive officers other than the CFO) will not be deductible for purposes of U.S. corporate income taxes unless it is performance based compensation and is paid pursuant to a plan and procedures meeting certain requirements of the Code. Our Bonus Plan and LTIP are designed in a form so that eligible payments under those plans can qualify as deductible performance-based compensation. Since we want to promote, recognize and reward performance which increases shareholder value, we rely heavily on performance-based compensation programs which will normally meet the requirements for performance-based compensation under Section 162(m). However, we may pay compensation that does not satisfy the requirements of Section 162(m) if we believe that it is in the best overall interests of the Company.

Section 409A provides that deferred compensation (including certain forms of equity awards) is subject to additional income tax and interest unless it is paid pursuant to a plan and procedures meeting certain requirements of the Code. Our Bonus Plan, LTIP, Deferred Compensation Plan, Excess Plan, and change of control severance agreements are being reviewed and revised to conform to these new requirements.

Stock Ownership Guidelines. In 2005, in consultation with Hewitt, we adopted stock ownership guidelines for our executive officers requiring that they hold certain amounts of our stock. They are:

CEO	Five times base salary
Executive vice presidents	Three times base salary
Vice presidents	One times base salary

Based on industry practice, there is a specified five-year period for our executives to meet the stock ownership targets, with periodic progress reporting to the O&C Committee.

Table of Contents**COMPENSATION COMMITTEE REPORT**

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

Vincent L. Kontny (Chairman)

Gary L. Neale

J. Charles Jennett

Marsha Williams

EXECUTIVE OFFICER COMPENSATION

The following tables summarize the total compensation paid or earned by each of the named executive officers for the year ended December 31, 2007. We have not entered into any employment agreements with any of the named executive officers.

A description of the performance-based conditions and criteria for determining amounts payable with respect to our non-equity incentive compensation plan are contained in the CD&A.

SUMMARY COMPENSATION TABLE**2007 Summary Compensation Table**

Name & Principal		Stock Awards			Non-Equity Incentive Plan Compensation		All Other Compensation	Total (\$)
Position	Year	Salary (\$)	(1) (\$)	Option Awards (2)	(3) (\$)	(3) (\$)	(j)	
(a)	(b)	(c)	(e)	(f)	(g)	(i)		
Philip K. Asherman, President and Chief Executive Officer	2007	\$ 720,000	\$ 2,451,029	\$ 292,696	\$ 1,185,840	\$ 190,862	\$ 4,840,427	
	2006	\$ 551,923	\$ 2,768,012	\$ 88,960	\$ 700,000	\$ 127,993	\$ 4,236,888	
Ronald A. Ballschmiede, Executive Vice President and Chief Financial Officer	2007	\$ 435,001	\$ 614,193	\$ 16,994	\$ 517,650	\$ 181,125	\$ 1,764,963	
	2006	\$ 187,501	\$ 130,242	\$	\$ 303,650	\$ 70,279	\$ 691,772	
John W. Redmon Executive Vice President-Operations	2007	\$ 450,000	\$ 561,721	\$ 16,847	\$ 324,450	\$ 89,974	\$ 1,442,992	
	2006	\$ 322,693	\$ 240,000	\$ 4,818	\$ 313,170	\$ 40,699	\$ 921,780	
Ronald E. Blum, Executive Vice President-Global	2007	\$ 390,000	\$ 567,610	\$ 87,824	\$ 348,660	\$ 86,488	\$ 1,480,582	
	2006	\$ 308,269	\$ 523,299	\$ 32,536	\$ 200,000	\$ 90,491	\$ 1,154,595	

Business Development							
David P. Bordages,	2007	\$ 292,000	\$ 383,015	\$ 80,860	\$ 175,200	\$ 69,095	\$ 1,000,170
Vice President	2006	\$ 275,625	\$ 416,518	\$ 41,842	\$ 162,481	\$ 53,542	\$ 949,918
Human Resources and Administration							

- (1) The amounts in column (e) reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2007 and 2006, in accordance with Statement of Financial Accounting Standards No. 123(R) (FAS 123(R)) of equity awards pursuant to the Long-Term Incentive Plans, and thus include amounts from awards granted in and prior to 2007 and 2006. The amounts are calculated by multiplying the market price on the date of grant by the number of shares amortized over the vesting period.
- (2) The amounts in column (f) reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2007 and 2006, in accordance with FAS 123(R) of option awards pursuant to the Long-Term Incentive Plans and thus include amounts from awards granted in and prior to 2007 and 2006. Assumptions used in the calculation of this amount are included in footnote 10 to the Company's audited financial statements for the year ended December 31, 1999 included in the Company's Annual Report on

Table of Contents

Form 10-K filed with the Securities and Exchange Commission (SEC) on March 28, 2000; footnote 2 to the Company s audited financial statements for the year ended December 31, 2002 included in the Company s Annual Report on Form 10-K filed with the SEC on March 21, 2003; footnote 2 to the Company s audited financial statements for the year ended December 31, 2005 filed with the SEC on June 1, 2006; footnote 12 to the Company s audited financial statements for the year ended December 31, 2006 filed with the SEC on March 1, 2007; and in footnote 13 to the Company s audited financial statements for the year ended December 31, 2007, filed with the SEC on February 27, 2008.

- (3) The compensation reported represents personal benefits, amounts paid to named executive officers in connection with their termination from the Company, contributions by us to our 401(k) Plan and Excess Plan, whether vested or unvested, and dividends paid on stock awards. Personal benefits consisted of company leased vehicles or allowances for vehicles, country and executive club membership fees, financial planning assistance and physicals for the executive and his spouse, all of which are valued at the actual cost charged to us. Personal benefits in excess of the greater of \$25,000 or 10% of the total amount of personal benefits for such executive officer, the benefit and the cost to us were: Mr. Ballschmiede, relocation, temporary housing expenses and travel while he relocates his family to Texas, including tax gross-ups for 2007, \$57,013 plus a tax gross-up of \$34,032, and for 2006, \$49,187 including tax gross-ups; and for Mr. Blum, for 2006, country club dues, \$35,326. Mr. Asherman is a member of the Supervisory Board, but receives no additional compensation for being a member of the Supervisory Board. The amount of contributions to the 401(k) Plan and Excess Plan, respectively, whether vested or unvested, contributed with respect to compensation earned in 2007 for each named executive officer are as follows: Philip K. Asherman, \$20,250, \$107,550; Ronald A. Ballschmiede, \$20,250, \$46,238; Ronald E. Blum, \$20,250, \$32,850; David P. Bordages, \$20,250, \$20,653; and John W. Redmon, \$20,250, \$48,435. Such amounts for 2006 are as follows: Philip K. Asherman, \$17,600, \$65,554; Ronald A. Ballschmiede, \$15,000, \$0; John W. Redmon, \$17,600, \$11,643; Ronald E. Blum, \$17,600, \$18,485; and David P. Bordages, \$17,600, \$17,049.

GRANTS OF PLAN-BASED AWARDS

Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares	All Other Option Awards: Number of Securities	Exercise or Base Price of	Grants
	Threshold (\$) (c)	Target (\$) (d)	Maximum (\$) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	of Stock or Units (3) (i)	Under-lying Options (4) (j)	Option Awards (\$ / Sh) (k)	and
2/22/07	\$ 129,600	\$ 648,000	\$ 1,296,000	24,360	48,721	97,442	43,557			\$
2/21/07								9,990	\$ 30.51	\$
2/28/07								9,136	\$ 29.61	\$
2/22/07	\$ 60,900	\$ 304,500	\$ 609,000	7,105	14,210	28,420	12,704			\$

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2/21/07								4,430	\$ 30.51	\$
2/22/07	\$ 63,000	\$ 315,000	\$ 630,000	7,968	15,936	31,872	14,247			\$
2/21/07								929	\$ 30.51	\$
2/26/07								1,500	\$ 30.64	\$
5/30/07								845	\$ 38.74	\$
2/22/07	\$ 46,800	\$ 234,000	\$ 468,000	5,075	10,150	20,300	9,074			\$
2/21/07								1,394	\$ 30.51	\$
2/26/07								2,000	\$ 30.64	\$
2/28/07								2,890	\$ 29.61	\$
2/22/07	\$ 29,200	\$ 146,000	\$ 292,000	3,045	6,090	12,180	5,445			\$
2/21/07								1,278	\$ 30.51	\$
2/28/07								3,356	\$ 29.61	\$

Table of Contents

- (1) The amounts shown in column (c) reflect the minimum payment level for awards under our Bonus Plan which is 20% of the target amount shown in column (d). The amount shown in column (e) is 200% of such target amount. These amounts are based on the individual's current salary and position.
- (2) The amounts shown in column (f) reflect the minimum stock awards of performance shares under our Long-Term Incentive Plan which is 50% of the target award shown in column (g). The amount shown in column (h) is 200% of such target award. Performance shares vest 33 1/3% per year based on EPS targets for the preceding year on the date that EPS is released. Performance share adjustments vest immediately based on previous years EPS.
- (3) These awards are restricted stock units made under our Long-Term Incentive Plan, which vest 25% over four years on the anniversary of the grant date. Participants are paid as compensation each year an amount equal to any dividend on restricted stock units that would have been paid if the units were awarded as restricted shares of stock.
- (4) All options are retention options made under our Long-Term Incentive Plan and were granted upon the vesting of performance shares or restricted stock in an amount equal to 40% of the number of shares that vested under such awards. Each retention option vests in seven years but may vest in three years from the date of grant if the holder has held continuously until such date shares awarded as performance shares or shares granted as restricted shares or units for which restrictions have lapsed.

Table of Contents**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**

Name (a)	Option Awards		Exercise Price (1) (\$) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (g)	Stock Awards		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$) (j)
	Number of Securities Underlying Unexercised Options (#) (b)	Number of Securities Underlying Unexercised Options (#) (c)				Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (i)	
Philip K. Asherman	33,639		\$ 7.40	2/27/13	40,080(2)	\$ 2,417,600	5,600(5)	\$ 338,464
		7,000	\$ 11.56	7/01/13	38,851(3)	\$ 2,348,154	48,721(6)	\$ 2,944,697
		3,380	\$ 14.12	2/12/14	43,557(4)	\$ 2,632,585		
		7,000	\$ 6.975	7/01/12				
		7,000	\$ 13.91	7/01/14				
		1,126	\$ 23.655	3/09/15				
		7,000	\$ 22.91	7/01/15				
		9,990	\$ 30.51	2/21/17				
	9,136	\$ 29.61	2/28/17					
Ronald A. Ballschmiede		4,430	\$ 30.51	2/21/17	33,225(3) 12,704(4)	\$ 200,812 \$ 767,830	14,210(6)	\$ 858,852
John W. Redmon		1,500	\$ 24.830	2/26/16	7,500(7)	\$ 453,700		
		929	\$ 30.510	2/21/17	6,971(3)	\$ 421,327	15,936(6)	\$ 963,172
		1,500	\$ 30.640	2/26/17	6,338(8)	\$ 383,069		
		845	\$ 38.740	5/30/17	14,247(4)	\$ 861,089		
Ronald E. Blum		120	\$ 6.975	7/01/12	5,000(2)	\$ 302,200	1,866(5)	\$ 112,781

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	120	\$ 11.565	7/01/13	10,456(3)	\$ 631,961	10,150(6)	\$ 613,466
	1,690	\$ 14.120	2/12/14	9,074(4)	\$ 548,433		
	120	\$ 13.910	7/01/14				
	2,000	\$ 21.380	2/26/15				
	562	\$ 23.655	3/09/15				
	120	\$ 22.910	7/01/15				
	2,000	\$ 24.830	2/26/16				
	1,394	\$ 30.510	2/21/17				
	2,000	\$ 30.640	2/26/17				
	2,890	\$ 29.610	2/28/17				
David P. Bordages	21,898	\$ 7.00	2/25/12	9,585(3)	\$ 579,317	1,866(5)	\$ 112,781
	4,000	\$ 13.910	7/01/14	5,445(4)	\$ 329,056	6,090(6)	\$ 368,080
		\$ 7.40	2/27/13				
	4,000	\$ 6.975	7/01/12				
	1,352	\$ 14.12	2/12/14				
	4,000	\$ 13.91	7/01/19				
	450	\$ 13.91	7/01/14				
	4,000	\$ 23.655	3/09/15				
	1,278	\$ 22.91	7/01/15				
	3,356	\$ 30.51	2/21/17				
		\$ 29.61	2/28/17				

(1) All options are retention options that vest on the seventh anniversary of the grant of the option, but may vest on the third anniversary of the grant if the holder has held continuously until such date shares awarded as performance shares or granted as restricted shares or units for which restrictions have lapsed.

(2) Restricted stock is scheduled to vest ratably each year through 2/26/08.

(3) Restricted stock is scheduled to vest ratably each year through 2/21/10.

Table of Contents

- (4) Restricted stock is scheduled to vest ratably each year through 2/22/11.
- (5) Performance shares are scheduled to vest ratably each year through 2/28/08, subject to satisfaction of performance criteria for the applicable year.
- (6) Performance shares are scheduled to vest ratably each year through 2/22/10, subject to satisfaction of performance criteria for the applicable year.
- (7) Restricted stock is scheduled to vest ratably each year through 2/26/09.
- (8) Restricted stock is scheduled to vest ratably each year through 5/30/10.

OPTION EXERCISES AND STOCK VESTED

The following table includes certain information with respect to the options exercised by the named executive officers, and the vesting of restricted stock and performance shares in 2007.

Name (a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) (e)
Philip K. Asherman	25,886	\$ 1,191,943	24,976(1) 22,840(2)	\$ 762,018 \$ 674,237
Ronald A. Ballschmiede			11,075(1)	\$ 337,898
John W. Redmon			8,185(1) 8,485(1)	\$ 267,594 \$ 259,527
Ronald E. Blum			7,226(2)	\$ 213,312
David P. Bordages	35,748	\$ 1,837,589	3,194(1) 8,390(2)	\$ 97,449 \$ 247,673

- (1) Restricted stock vesting in 2007.
- (2) Performance shares vesting in 2007.

NONQUALIFIED DEFERRED COMPENSATION

We adopted the Excess Plan to provide retirement benefits for our senior management (including executive officers) on the same basis, in proportion to pay, as we provide retirement benefits to all our salaried employees generally. We contribute to the Excess Plan the difference between the amount that would have been contributed by the Company to their 401(k) Plan accounts but for the Code limitations, and the contributions actually made to their 401(k) Plan accounts. Contributions to the Excess Plan are paid into the Rabbi Trust, with an independent trustee. Earnings on these contributions are determined by participants' designation of investment funds from the same group (other than the Company stock fund) that is available under the 401(k) Plan. Executives can change the election of investments at

any time without restriction. At the time an Executive becomes a participant, he elects whether distribution will occur on a designated date, or upon termination of employment or a designated date thereafter. Executives are not permitted to make contributions to the Excess Plan.

We have also adopted the Deferred Compensation Plan. Contributions to the Deferred Compensation Plan are paid into the Rabbi Trust. Earnings on these contributions are determined by participants' designation of investment funds from the same group (other than the Company stock fund and certain other funds) that is available under the 401(k) Plan. Executives make contributions to the Deferred Compensation Plan at the time they are paid compensation. Executives can change the election of investments at any time without restriction.

Table of Contents

The following table summarizes certain nonqualified deferred compensation contributions made in 2007 pursuant to our Excess Plan and the Deferred Compensation Plan.

Name	Executive Contributions in Last FY	Registrant Contributions in Last FY	Aggregate Earnings In Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (\$)
(a)	(b)	(c)	(d)	(e)	(f)
Philip K. Asherman		\$ 65,554	\$ 11,911		\$ 185,405
Ronald A. Ballschmiede					
John W. Redmon		\$ 11,644	\$ 451		\$ 12,095
Ronald E. Blum		\$ 18,486	\$ 2,529		\$ 43,584
David P. Bordages	\$ 58,400	\$ 17,050	\$ (483)		\$ 150,219

All amounts reported as contributions have been reported as compensation to the named executive officer in the Summary Compensation Table for the last completed fiscal year. Amounts in the Aggregate Balance column that represent contributions have been reported in Summary Compensation Tables of the proxy statements. No amounts reported as earnings have been reported as compensation to the named executive officer.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

Vesting or Payment of Benefits on Retirement, Disability or Death.

Bonus Plan. Bonuses under the Bonus Plan may be payable in part, and equity awards under the LTIP may continue to vest, on certain terminations of employment. Generally, no bonus is paid if employment terminates before the last day of the bonus year. However a pro rata bonus, based on the time the executive officer is actually employed during the bonus year, is payable (subject to the O&C Committee's right to exercise discretion to reduce the bonus as described in the CD&A) if termination of employment occurs by retirement, death or disability. The Company treats any termination of employment after age 65, or after 30 years of service, or after age 55 with 10 years of service, as retirement for this purpose. If the retirement, death or disability of an executive officer had occurred on the last business day of 2007, the pro-rata bonus would be the entire bonus in the same amount as shown in column (d) or (g) (as applicable) of the Summary Compensation Table above.

LTIP. Generally awards under the LTIP are forfeited if employment terminates before the vesting date provided in the applicable award agreement. However, the award agreements provide that upon termination of employment for death, retirement, disability or dismissal for the convenience of the Company (other than an involuntary termination of employment for willful misconduct or gross negligence as it may be determined by the O&C Committee) awards will continue to vest over the same time-vesting period, subject to the performance metrics if applicable. The O&C Committee reserves the right to add in the award agreement additional conditions for retirement. If the retirement, death, disability or dismissal for the convenience of the Company of an executive officer occurred on the last business day of 2007, the number of options shares of restricted stock and performance shares that would continue to vest would be the same as the number of unexercisable options and the number of shares that have not vested shown in columns (c) or (g) and (h) (as applicable) of the Outstanding Equity Awards at Fiscal Year-End table above.

Nonqualified Deferred Compensation Plan. To the extent elected by the executive, vested nonqualified deferred compensation would be payable upon any termination of employment up to the vested amount of the aggregate account balance as shown column (f) of the Nonqualified Deferred Compensation table above.

Broad-Based Benefit Arrangements. The Company also provides post-retirement medical benefits, death and disability benefits, and 401(k) plan benefits upon termination of employment under broad-based plans that do not discriminate in scope, terms or operation in favor of its executive officers and that are available generally to all salaried employees.

Table of Contents***Change of Control Benefits for Current Executive Officers.***

Change of Control Agreements. We have substantially identical change of control severance agreements (Agreements) with Philip K. Asherman, Ronald A. Ballschmiede, John W. Redmon, Ronald E. Blum, and David P. Bordages (and one other officer). These Agreements are intended to assure the retention and performance of executives if a change of control of the Company is pending or threatened. They are designed to reduce the distraction of our executives that might otherwise arise from the personal uncertainties caused by a change of control, to encourage the executive s full attention and dedication to the Company, and to provide the executive with compensation and benefits following a change of control that are competitive with those of similarly-situated corporations.

Each Agreement provides for certain benefits upon a change of control of the Company and certain additional benefits upon the executive s termination of employment by the Company without cause, or by the executive with good reason, within a three-year period following the change of control. This period is set at three years to avoid giving the post-change Company a financial incentive to avoid severance obligations by keeping the executive employed in an unproductive capacity until his entitlement to those benefits expires. The Agreements also address termination within that period by the Company for cause, by the executive other than for good reason, or upon death or disability.

Under the Agreements, change of control generally is defined as the acquisition by any person or group of 25% or more of the beneficial interest in the equity of the Company; failure of the current Supervisory Board (and members nominated by at least 75% of the then-current Supervisory Board members) to comprise at least 50% of the Supervisory Board; Supervisory Board or shareholder approval of a merger or reorganization or consolidation resulting in less than 75% continuing ownership by the pre-merger shareholders; or Supervisory Board or shareholder approval of any transaction as a result of which the Company does not own at least 70% of Chicago Bridge & Iron Company (Chicago Bridge), or Chicago Bridge does not own at least 75% of its subsidiary, Chicago Bridge & Iron Company (Delaware). The Agreements use a 25% threshold to define a change of control because the stock ownership of the Company is fairly widely distributed, and a single person (or group) owning 25% of the stock can exercise in practice a disproportionate control over its management and policies.

Benefits Payable or Provided Solely Upon a Change of Control. Upon a change of control, the executive is entitled to receive payment of minimum pro-rata target bonus, vesting in options, restricted shares and performance shares, and (if the change of control also meets the conditions of Section 409A of the Code for accelerated payment of deferred compensation), an immediate lump sum cash payment of all deferred compensation and of the value of all performance shares assuming achievement of target performance goals. The provision for vesting and payment are intended to avoid the risk of potential non-payment by the post-change Company, and to reflect that, depending on the post-change circumstances of the Company, it may be difficult, impossible or meaningless to apply pre-change targets for performance-based compensation. The applicable amounts of these benefits and the other benefits described here are shown in the tables below for each current named executive officer.

Benefits Payable or Provided upon a Change of Control and Termination Without Cause or For Good Reason. Upon termination of employment by the Company without cause or by the executive for good reason during the three-year period following a change of control, the executive will be entitled to a lump sum payment of three times the sum of his annual base salary plus target bonus. The factor of three is intended to cover the period that it might take a senior executive to find comparable employment. In addition, the promise of change of control severance benefits in these events is intended generally to supply adequate and sufficient consideration for the executive s non-competition obligations described below. The executive will also be entitled to a payment of pro-rata minimum bonus for the year of termination, payment of deferred compensation (to the extent not paid upon the change of control), continuation for him and his dependents of medical and other benefits for a three-year period after termination of employment, payment of the amount (if any) of 401(k) Plan benefits forfeited upon termination of employment; and to receive

Company-provided outplacement services. Benefit continuation for a three-year period is intended to cover the period that it might take a senior executive to find employment providing comparable benefits and to cushion the executive and his family against the possibility that no subsequent employment would provide comparable benefits. The executive has no duty to mitigate these benefits by seeking subsequent employment and they are not reduced for compensation or benefits in subsequent employment. The executive

Table of Contents

(and dependents if applicable) is further entitled to post-termination medical coverage beginning at the later of age 50 or expiration of the three-year period after termination of employment, at active employee rates until age 65 and at retiree rates after age 65. These medical coverage benefits are secondary to any benefits the executive may receive through subsequent employment.

For purposes of these Agreements, *cause* includes conviction of a felony or of a crime involving moral turpitude, or willful misconduct or breach of the agreement that results in material financial detriment to the Company, but *cause* does not include negligence, actions taken in good faith, actions indemnifiable by the Company, or known to the Company for more than a year before the purported termination. The executive is entitled to certain procedural protections before the Company can terminate employment for *cause*. *Good reason* for resignation generally includes any adverse changes in the executive's duties, title, reporting requirements or responsibilities; failure by the Company to provide the compensation, bonus, work location, plan and other payments, benefits and perquisites called for by the Agreement, other breach of the Agreement by the Company or adverse change in the terms and conditions of the executive's employment, initiating a termination for *cause* without completing the termination within 90 days in compliance with the Agreement, any other purported termination of executive's employment not contemplated by the Agreement, or failure of a successor to assume and perform the Agreement.

Benefits Payable or Provided upon Change of Control and Voluntary Termination, Death or Disability. On voluntary termination by the executive without good reason during the three-year period following a change of control, the executive is entitled to payment of pro-rata minimum bonus for the year of termination and payment of deferred compensation (to the extent not paid upon the change of control). On termination for disability or death during that three-year period, the executive (or his beneficiaries) is entitled to benefits under the Company's broad-based disability and death plans with no enhancement except that such benefits may not be reduced below the greatest benefit level in effect during the 90-day period preceding the Change of Control. Upon termination for *cause* during the three-year period the executive is entitled to payment of deferred compensation (to the extent not paid upon the change of control). Upon any termination of employment during that three-year period, the executive is entitled to salary and accrued vacation pay through the termination date and reimbursement of business expenses incurred prior to termination.

Special Payments Relating to a Change in Control. The Agreements provide that the Company will pay an amount necessary to reimburse each employee, on an after-tax basis, for any excise tax due under Section 4999 of the Code as a result of such payment being treated as a *parachute payment* under Section 280G of the Code. The Company will also reimburse the executive's legal fees and related costs incurred to obtain benefits under the Agreements as long as the executive had a reasonable basis for the action or was acting in good faith. The Company must maintain a letter of credit and escrow in force to secure this obligation for legal fee reimbursement.

Applicable Restrictive Covenants. In exchange for the above benefits, the Agreements impose certain obligations on the executive that apply during employment (before or after a change of control) and after any termination of employment, including terminations of employment before any change of control happens, and regardless of the reason for termination of employment. These are an obligation to maintain the confidentiality of Company confidential information, not to engage directly or indirectly in competition with the Company, and not to solicit employees, customers, vendors and suppliers away from the Company or otherwise interfere with the Company's customer, vendor and supplier relationships. A competitive business is defined to be any construction and engineering business specializing in the engineering and design, materials procurement, fabrication, erection, repair and modification of steel tanks and other steel plate structures and associated systems and any branch, office or operation thereof, which is a direct and material competitor of the Company wherever in the world the Company does business. The executive agrees that these covenants may be specifically enforced against him by injunction.

Tabular Disclosures of Potential Benefits Paid or Provided Upon Change in Control. The following tables tally the benefits that would be paid or provided for each of the named executive officers if a change of control and a simultaneous without cause or good reason termination, a voluntary resignation without good reason, or a termination for cause, occurred on the last business day of 2007, applying the closing price of Company stock on that day (which was \$60.44 per share). (Benefits upon death or disability are omitted because they would be the same as under the Company's broad-based plans as discussed above.) A voluntary resignation without good reason

Table of Contents

on that date by Messrs. Asherman, Blum and Bordages would qualify as a retirement entitling those officers to bonus and equity vesting without regard to the change of control severance agreements. A voluntary resignation without good reason on that date by Messrs. Ballschmiede, and Redmon would not qualify as a retirement.

The table assumes that upon a termination for cause, the O&C Committee would exercise its discretion to reduce the bonus to zero even if the executive would otherwise qualify for retirement under the Bonus Plan, and that no change of control benefits would be payable. (Accordingly, benefits on termination would consist only of unpaid salary through the date of termination and other accrued vested benefits, and therefore benefits upon termination for cause are omitted from the tables.) For purposes of the Section 4999 gross-up, the amount in the table is based on the assumptions of an excise tax rate of 20%, a marginal federal income tax rate of 35.0%, a 1.45% Medicare tax rate and state income tax rate applicable to the named executive officer, and the assumptions that no amounts will be attributed to reasonable compensation before or after the change of control and that no value will be attributed to the executive's non-competition covenant. The value of health plan benefits is based upon and assumes that the executive will continue paying applicable employee (or retiree) premiums for coverage for the maximum period permitted by the Agreement. The table also assumes that the executive will not incur legal fees or related costs in enforcing the Agreement.

Table of Contents**Change of Control Benefits Philip K. Asherman**

Benefits and Payments Upon Change of Control and Simultaneous Termination	Voluntary Termination	Good Reason or Without Cause Termination
Bonus	\$ 972,000	\$ 972,000
Equity award vesting		
Options	\$ 580,644	\$ 580,664
Restricted Stock	\$ 7,446,691	\$ 7,446,691
Performance Shares	\$ 3,283,161	\$ 3,283,161
Deferred Compensation	\$ 185,405	\$ 185,405
Severance payment		\$ 5,076,000
Payment of 401(k) forfeiture		
Outplacement		\$ 144,000
Benefit plan continuation		
Medical (including dental and vision)		\$ 34,956
Disability		\$ 3,024
Life insurance		\$ 825
Post-termination medical continuation	\$ 25,913	\$ 145,823
Excise tax gross-up		\$ 5,546,650

Change of Control Benefits Ronald A. Ballschmiede

Benefits and Payments Upon Change of Control and Simultaneous Termination	Voluntary Termination	Good Reason or Without Cause Termination
Bonus	\$ 456,750	\$ 456,750
Equity award vesting		
Options	\$ 132,580	\$ 132,580
Restricted Stock	\$ 2,775,949	\$ 2,775,949
Performance Shares	\$ 963,172	\$ 963,172
Deferred Compensation		
Severance payment		\$ 2,675,250
Payment of 401(k) forfeiture		\$ 23,495
Outplacement		\$ 87,000
Benefit plan continuation		
Medical (including dental and vision)		\$ 34,956
Disability		\$ 3,024
Life insurance		\$ 825
Post-termination medical continuation		\$ 159,832
Excise tax gross-up		\$ 2,391,709

Table of Contents**Change of Control Benefits John W. Redmon**

Benefits and Payments Upon Change of Control and Simultaneous Termination	Voluntary Termination	Good Reason or Without Cause Termination
Bonus	\$ 472,500	\$ 472,500
Equity award vesting		
Options	\$ 144,256	\$ 144,256
Restricted Stock	\$ 2,118,785	\$ 2,118,785
Performance Shares	\$ 963,172	\$ 963,172
Deferred Compensation	\$ 12,095	\$ 12,095
Severance payment		\$ 2,767,500
Payment of 401(k) forfeiture		\$ 42,602
Outplacement		\$ 90,000
Benefit plan continuation		
Medical (including dental and vision)		\$ 23,832
Disability		\$ 3,024
Life insurance		\$ 825
Post-termination medical continuation		\$ 65,524
Excise tax gross-up		\$ 2,228,567

Change of Control Benefits Ronald E. Blum

Benefits and Payments Upon Change of Control and Simultaneous Termination	Voluntary Termination	Good Reason or Without Cause Termination
Bonus	\$ 351,000	\$ 351,000
Equity award vesting		
Options	\$ 445,977	\$ 445,977
Restricted Stock	\$ 1,482,593	\$ 1,482,593
Performance Shares	\$ 726,247	\$ 726,247
Deferred Compensation	\$ 43,584	\$ 43,584
Severance payment		\$ 2,223,000
Payment of 401(k) forfeiture		
Outplacement		\$ 78,000
Benefit plan continuation		
Medical (including dental and vision)		\$ 23,832
Disability		\$ 3,024
Life insurance		\$ 825
Post-termination medical continuation	\$ 29,232	\$ 75,718
Excise tax gross-up		\$ 1,757,959

Table of Contents**Change of Control Benefits David P. Bordages**

Benefits and Payments Upon Change of Control and Simultaneous Termination	Voluntary Termination	Good Reason or Without Cause Termination
Bonus	\$ 219,000	\$ 219,000
Equity award vesting		
Options	\$ 956,780	\$ 956,780
Restricted Stock	\$ 908,413	\$ 908,413
Performance Shares	\$ 480,861	\$ 480,861
Deferred Compensation	\$ 150,219	\$ 150,219
Severance payment		\$ 1,533,000
Payment of 401(k) forfeiture		
Outplacement		\$ 43,800
Benefit plan continuation		
Medical (including dental and vision)		\$ 23,832
Disability		\$ 3,024
Life insurance		\$ 825
Post-termination medical continuation	\$ 11,933	\$ 70,122
Excise tax gross-up		\$ 1,261,605

DIRECTOR COMPENSATION

Name(1) (a)	Fees Earned or Paid in Cash (\$) (b)	Stock Awards (\$ (2) (c)	Option Awards (\$ (3) (d)	All Other Compensation (\$ (4) (g)	Total (\$) (h)
Jerry H. Ballengee(5)	\$ 118,500	\$ 138,624		\$ 660	\$ 257,784
L. Richard Flury(6)	\$ 59,000	\$ 138,624		\$ 2,911	\$ 200,535
J. Charles Jennett	\$ 51,000	\$ 138,624		\$ 660	\$ 190,284
Vincent L. Kontny(7)	\$ 61,000	\$ 138,624		\$ 1,458	\$ 201,082
Gary L. Neale(8)	\$ 52,000	\$ 138,624		\$ 1,230	\$ 191,854
L. Donald Simpson(9)	\$ 19,500	\$ 43,266		\$ 150,042	\$ 212,768
Michael Underwood(10)	\$ 26,500	\$ 95,358		\$ 36,352	\$ 158,210
Marsha C. Williams	\$ 61,500	\$ 138,624		\$ 660	\$ 200,784

(1) Philip K. Asherman, President and Chief Executive Officer, is not included in this table as he is our employee and receives no compensation for his services as Supervisory Director. The compensation received by Mr. Asherman as our employee is shown in the Summary Compensation Table on page 23.

(2) Reflects the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 in accordance with FAS 123(R), and thus includes amounts from awards granted in 2005 and 2006. The number of stock awards outstanding at the end of the last completed year for each Supervisory

Director is 4,400. The stock awards were granted in May 2006 and the grant date fair value of each award computed in accordance with FAS 123(R) was \$103,840.

- (3) The number of option awards outstanding at the end of the last completed year for each Supervisory Director is 30,000, except for Mr. Kontny, 22,000 and Mr. Flury, 8,000. No option awards were granted during the year ended December 31, 2007.
- (4) All Other Compensation includes dividends on stock awards (\$660 for each member except Mr. Underwood at \$352), the 15% discount on shares purchased (described below) and above market interest on deferred compensation.

Table of Contents

- (5) Mr. Ballengee receives 50% of his fees earned in cash and 50% in Company stock issued immediately.
- (6) Mr. Flury receives 50% of his fees earned in cash, and as described below defers until 2017 42% of fees in cash and 8% of fees to purchase Company stock.
- (7) Mr. Konty receives 92% of his fees earned in cash and as described below defers until retirement 8% of fees to purchase Company stock.
- (8) Mr. Neale receives 50% of his fees earned in cash, and as described below defers until one year after retirement 42% of fees in cash and 8% to purchase Company stock,
- (9) As of May 10, 2007, Mr. Simpson ceased being a member of the Supervisory Board and became a consultant to the Company. Amounts shown in columns (b) and (c) are Mr. Simpson's compensation as a member of the Supervisory Board. Mr. Simpson's compensation in 2007 as a consultant is included in column (g).
- (10) As of May 10, 2007, Mr. Underwood became a member of the Supervisory Board. Prior thereto he served as a consultant to the Company. Amounts shown in columns (b) and (c) are Mr. Underwood's compensation as a member of the Supervisory Board. Mr. Underwood's compensation in 2007 as a consultant is included in column (g).

Members of the Supervisory Board received in 2007 as compensation for their services as Supervisory directors an annual retainer of \$30,000, except the non-executive Chairman of the Supervisory Board who received an annual retainer of \$90,000, paid in quarterly installments, \$1,500 for attendance at each Supervisory Board meeting and a grant of 4,400 units or shares of restricted stock which vest after one year. Members of the Supervisory Board who chair a Supervisory Board committee receive an additional annual retainer of \$5,000, except the chairman of the Audit Committee who received an annual retainer of \$10,000. Those who serve on Supervisory Board committees received \$1,000 for each committee meeting attended. Members of the Supervisory Board may elect to receive their compensation in common shares and may elect to defer their compensation in the form of cash or stock. Fees deferred in the form of cash are credited with interest at the rate of prime plus 1%, updated quarterly based on the prime rate for the first business day of each calendar quarter as published in the Wall Street Journal. For fees deferred in the form of stock, the number of shares of our stock is determined by dividing the fees earned by the closing price per share of our stock on the New York Stock Exchange on the first trading day preceding the respective Supervisory Board meeting and such shares earn dividends at the regular rate and are converted into additional shares based on the closing price per share of our stock on the New York Stock Exchange on the dividend payment date. In addition, a member of the Supervisory Board may direct that up to 8% of his or her director's fees be applied to purchase shares at 85% of the closing price per share on the New York Stock Exchange on the first trading day following the end of each calendar quarter. Shares are issued either at the time of purchase or at a specified future date. Members of the Supervisory Board who are full-time employees of the Company receive no compensation for serving as members of the Supervisory Board.

In 2005, we adopted stock ownership guidelines for our Supervisory Directors. They are that each Supervisory Director own shares in our stock equal to at least five times the annual retainer. There is a five-year period for our Supervisory Directors to meet these stock ownership targets.

ITEM 2

ADOPTION OF ANNUAL ACCOUNTS FOR 2007

At the Annual Meeting, you will be asked to authorize the preparation of our Dutch statutory annual accounts and annual report of our Management Board in the English language and to adopt our Dutch Statutory Annual Accounts for the year ended December 31, 2007 (the Annual Accounts), as required under Dutch law and our Articles of Association.

Our Annual Accounts are prepared in accordance with Dutch generally accepted accounting principles (Dutch GAAP) and Dutch law. The Annual Accounts contain certain disclosures not required under generally accepted accounting principles in the United States (US GAAP). Dutch GAAP generally requires us to amortize goodwill and indefinite lived intangible assets, which is not required under US GAAP. In addition, the Management Report required by Dutch law, similar to the Management s Discussion and Analysis of Results of Operations and Financial Condition included in the 2007 Annual Report to Shareholders (Annual Report), also contains

Table of Contents

information included in our Annual Report on Form 10-K and other information required by Dutch law. A copy of the Annual Accounts can be accessed through our website, www.cbi.com, and may be obtained free of charge by request to our principal executive offices at Oostduinlaan 75, 2596 JJ The Hague, The Netherlands and at our administrative offices c/o Chicago Bridge & Iron Company (Delaware), 2103 Research Forest Drive, The Woodlands, TX 77380-2624 Attn: Investor Relations.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to adopt our Annual Accounts and to authorize the preparation of our Dutch statutory annual accounts and annual report in the English language.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE ADOPTION OF OUR ANNUAL ACCOUNTS AND THE AUTHORIZATION OF THE PREPARATION OF OUR DUTCH STATUTORY ANNUAL ACCOUNTS AND ANNUAL REPORT IN THE ENGLISH LANGUAGE.

ITEM 3

DISCHARGE OF SOLE MEMBER OF THE MANAGEMENT BOARD

Under Dutch law, at the Annual Meeting shareholders may discharge the members of the Management Board from liability in respect of the exercise of their management duties during the financial year concerned. During 2007, the sole member of the Management Board was Chicago Bridge & Iron Company B.V., our wholly owned subsidiary. The discharge is without prejudice to the provisions of the law of The Netherlands relating to liability upon bankruptcy and does not extend to matters not disclosed to shareholders.

It is proposed that the shareholders resolve to discharge the sole member of the Management Board from liability in respect of the exercise of its management duties during 2007.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to so discharge the Management Board.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE DISCHARGE OF THE SOLE MEMBER OF THE MANAGEMENT BOARD FROM LIABILITY FOR 2007.

ITEM 4

DISCHARGE OF MEMBERS OF THE SUPERVISORY BOARD

Under Dutch law, at the Annual Meeting shareholders may discharge the members of the Supervisory Board from liability in respect of the exercise of their supervisory duties during the financial year concerned. The discharge is without prejudice to the provisions of the law of The Netherlands relating to liability upon bankruptcy and does not extend to matters not disclosed to shareholders.

It is proposed that the shareholders resolve to discharge the members of the Supervisory Board from liability in respect of the exercise of their supervisory duties during 2007.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to so discharge the Supervisory Board.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE DISCHARGE OF THE MEMBERS OF THE SUPERVISORY BOARD FROM LIABILITY FOR 2007.

ITEM 5

DISTRIBUTION FROM PROFITS

Our Articles of Association provide that the general meeting of shareholders may resolve to make distributions from profits. During 2007, we distributed four quarterly distributions (interim dividends) in cash in anticipation of

Table of Contents

the final dividend. The interim dividends were distributed on March 30, June 29, September 28 and December 28, each at the rate of \$0.04 per share, for an aggregate interim cash dividend of \$0.16 per share.

We propose that no further distributions be made and that the final dividend for 2007 shall equal the aggregate of the four interim dividends in cash amounting to \$0.16 per share and that such amounts shall be charged to profits.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to approve the final dividend.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE DISTRIBUTION OF THE FINAL DIVIDEND FOR 2007.

ITEM 6

EXTENSION OF AUTHORITY OF MANAGEMENT BOARD TO REPURCHASE UP TO 10% OF OUR ISSUED SHARE CAPITAL UNTIL NOVEMBER 8, 2009

Under Dutch law and our Articles of Association, the Management Board may, with the prior approval of the Supervisory Board, and subject to certain Dutch statutory provisions, be authorized to repurchase issued shares on our behalf in an amount, at prices and in the manner authorized by the general meeting of shareholders. Adoption of this proposal will allow us to have the flexibility to repurchase our shares without the expense of calling special shareholder meetings. Such authorization may not continue for more than 18 months, but may be given on a rolling basis. At the 2007 annual meeting, you authorized the Management Board, acting with the approval of our Supervisory Board, to repurchase up to 10% of our issued share capital in open market purchases, through privately negotiated transactions, or by means of self-tender offer or offers, at prices ranging up to 110% of the market price at the time of the transaction. Since the 2007 annual meeting and as of March 20, 2008, we had repurchased 325,000 shares under this authority. Such authority currently expires November 10, 2008.

The Management Board believes that we would benefit by extending such authority of the Management Board, acting with the approval of our Supervisory Board, to repurchase our shares. For example, to the extent the Management Board believes that our shares may be undervalued at the market levels at which they are then trading, repurchases of our share capital may represent an attractive investment for us. Such shares could be used for any valid corporate purpose, including use under our compensation plans, sale in connection with the exercise of outstanding options, or for acquisitions, mergers or similar transactions. The reduction in our issued capital resulting from any such purchases will increase the proportionate interest of the remaining shareholders in our net worth and whatever future profits we may earn. However, the number of shares repurchased, if any, and the timing and manner of any repurchases would be determined by the Management Board, with the prior approval of the Supervisory Board, in light of prevailing market conditions, our available resources and other factors that cannot now be predicted. The number of shares held by us, or our subsidiaries, may generally never exceed 10% of the total number of our issued and outstanding shares.

In order to provide us with sufficient flexibility, the Management Board proposes that the general meeting of shareholders grant authority for the repurchase of up to 10% of our issued share capital (or over 9,600,000 shares) on the open market, or through privately negotiated repurchases or in self-tender offers, at prices ranging up to 110% of the market price at the time of the transaction. Such authority would extend for 18 months from the date of the Annual Meeting until November 8, 2009.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to adopt the proposal to extend the authorization of the Management Board, acting with the approval of our Supervisory Board, to repurchase up to 10% of our issued share capital on the open market, or through privately negotiated repurchases or self-tender offers, at prices ranging up to 110% of the market price at the time of the transaction until November 8, 2009.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE PROPOSAL TO GRANT EXTENDED AUTHORITY TO THE MANAGEMENT BOARD TO REPURCHASE SHARES.

Table of Contents

ITEM 7

APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Supervisory Board has recommended that Ernst & Young LLP (E&Y) be appointed as our independent registered public accounting firm for the year ending December 31, 2008. E&Y has acted as our independent registered public accounting firm since 2005. Representatives of E&Y are expected to be present at the Annual Meeting. They will have an opportunity to make a statement, if they desire, and are expected to be available to respond to appropriate questions.

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to appoint E&Y as our independent registered public accounting firm who will audit our accounts for the year ending December 31, 2008.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2008.

ITEM 8

ADOPTION OF AMENDMENT TO OUR ARTICLES OF ASSOCIATION

The Supervisory Board proposes to amend our Articles of Association to permit record dates up to 30 days prior to the date of a shareholder meeting. The Supervisory Board has recommended this increase in the number of days prior to a shareholder meeting when a record date may be set in order to ensure that shareholders receive information regarding the materials to be discussed at a meeting of the shareholders in time to thoroughly review such materials and to provide time for any proxies with respect to a shareholder meeting to be received,

The affirmative vote of a majority of the votes cast at the Annual Meeting is required to adopt the proposal to amend our Articles of Association as described above. A text of the proposed deed of amendment to our Articles of Association is attached as Annex A to this proxy statement.

THE SUPERVISORY BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE PROPOSAL TO AMEND OUR ARTICLES OF ASSOCIATION TO PERMIT RECORD DATES UP TO 30 DAYS PRIOR TO THE DATE OF A SHAREHOLDER MEETING.

ITEM 9

**ADOPTION OF AMENDMENT TO THE CHICAGO BRIDGE & IRON
1999 LONG-TERM INCENTIVE PLAN**

Chicago Bridge & Iron Company (Chicago Bridge), a subsidiary of the Company, as sponsor, has adopted the Chicago Bridge & Iron 1999 Long-Term Incentive Plan (the Plan). The Plan was approved by our 1999 annual general meeting of shareholders, and again approved as amended at the Company's December 13, 2000 special meeting of shareholders, and subsequently amended and again approved as amended at the Company's May 13, 2005 annual meeting of shareholders. The Board of Directors of Chicago Bridge has further amended the Plan (the Amendment), subject to the approval of our shareholders of the Plan as so amended (the Amended Plan).

The principal material change is an increase in the aggregate number of shares available by 3,000,000 shares. Together with shares available under the Plan before the amendment and shares available under Chicago Bridge s 1997 Long-Term Incentive Plan (the 1997 Plan) (which will be terminated upon approval of the Amended Plan) the Amended Plan will have 4,127,918 shares available.

The amendment also revises the Plan to implement the policy adopted by the Supervisory Board to recover awards in certain circumstances in the event of a restatement of the Company s financial results (which is described below in the summary of the Amended Plan) and to delete a Plan provision permitting the deferral of shares received on exercise of options (and make technical conforming changes reflecting that deletion). The provisions for deferral of option shares are deleted because this feature has not been used in the past and because new tax rules under Section 409A of the Code drastically curtail the circumstances in which this feature might be used in the future. The

Table of Contents

Amendment also reflects the increase in the number of shares reserved for grants to any single participant under the Plan's antidilution adjustment and the stock splits since additional shares were last authorized for the Plan at the Company's December 13, 2000 special meeting of shareholders. Finally, in light of the above changes, the name of the Plan is changed to be the Chicago Bridge & Iron Company 2008 Long-Term Incentive Plan. A copy of the Amendment is attached as Annex B to this proxy statement.

As of March 28, 2008, of the 16,727,020 shares authorized for grant under the Plans, 1,127,918 shares (143,529 shares under the 1997 Plan and 984,389 shares under the Plan (together, the Plans)) remain available for future grants and awards under the Plans. During 2007 and this year through March 28, 2008, options for 155,474 and 180,614 shares, respectively, have been granted under the Plans; restricted stock awards of 433,938 and 397,995 shares, respectively, have been granted under the Plans; and performance share awards at target of 192,655 and 256,198, respectively, have been granted under the Plans.

As of March 28, 2008, there were 1,364,056 stock options outstanding with a weighted-average exercise price of \$15.78 and a weighted-average remaining contractual life of 5.4 years; and 920,684 restricted shares outstanding (including 35,200 directors' shares) subject to restrictions that they may not be sold or otherwise transferred until such restrictions have lapsed. As of that date, there were also 376,514 performance shares at target that are unvested and outstanding.

Reasons for Seeking Shareholder Approval

Shareholder approval of the amendment increasing the number of shares available is required under the rules of the New York Stock Exchange applicable to the Company. Shareholder approval of such amendment will also permit options granted under the Plan that are intended to be incentive stock options (ISOs) to qualify as such.

Approval of the Amended Plan is also necessary to permit compensation expense recognized by the Company in connection with exercise of options, and payment of performance-vested restricted stock and performance units or performance shares, to qualify as performance-based compensation for purposes of Section 162(m) of the Code.

Under Section 162(m), the Company cannot claim a U.S. federal income tax deduction for compensation paid to its chief executive officer or any of its three other most highly compensated executive officers other than the chief financial officer in excess of \$1,000,000 in any year, unless the compensation qualifies as shareholder-approved performance-based compensation. Compensation attributable to exercise of options (the spread, or excess of the fair market value of the option shares at the time of exercise over the option exercise price) is eligible to be considered as performance-based compensation for purposes of Section 162(m).

Compensation attributable to certain other types of awards, such as performance-vested restricted stock, performance shares or performance units, is eligible to be considered as performance-based compensation for purposes of Section 162(m) if the shareholders have approved the material terms of the performance goals set forth in the Amended Plan for such Awards. Where, however, as under the Amended Plan, the Committee has authority to change the targets under a performance goal after shareholder approval of the goal, the material terms of the performance goal must be disclosed and reapproved by shareholders no later than the first shareholder meeting that occurs in the fifth year following the year in which shareholders previously approved the performance goal. Such reapproval last occurred at the Company's May 13, 2005 annual meeting. Accordingly the Amended Plan will not satisfy the requirements of Section 162(m) after 2009 unless our shareholders approve the Amended Plan at this meeting, or reapprove the Amended Plan at the first shareholders meeting occurring in 2010.

If the Amended Plan is not approved, the Amendment will not go into effect. Awards may continue to be made under the Plan in accordance with its terms as they existed prior to the Amendment until the shares remaining for Awards

under the Plan are exhausted.

Table of Contents

Summary of the Amended Plan

The principal provisions of the Amended Plan are summarized below. This summary is not a complete description of the Amended Plan and is qualified by the full text of the Amended Plan, a copy of which is attached as Annex C to this proxy statement.

Purpose. The objectives of the Amended Plan are to optimize the profitability and growth of the Company and its subsidiaries through incentives which link the personal interests of participants to those of our shareholders; to provide participants with an incentive for excellence in individual performance; to promote teamwork among participants; and to provide flexibility to Chicago Bridge in its ability to motivate, attract and retain the services of participants who make significant contributions to Chicago Bridge's success and to allow participants to share in its success.

Duration. Elimination of the deferral feature (and related conforming changes) are effective January 1, 2008, the effective date of final tax regulations under Section 409A of the Code. Other changes made by the Amendment are effective as of the date of its approval by the shareholders. The Amended Plan will remain in effect, subject to the right of the Board of Directors of Chicago Bridge to amend or terminate the Amended Plan, until all shares subject to the Amended Plan shall have been awarded.

Types of Awards. The Amended Plan permits the granting of the following types of awards to employees of the Company or any of its affiliates: (1) stock options, including ISOs and options other than ISOs (nonqualified options); (2) restricted stock (whether in the form of restricted stock shares or restricted stock units); and (3) performance shares or performance units conditioned upon meeting performance criteria (collectively, the Awards).

Administration. The Amended Plan is administered by a Committee (Committee) appointed by the Board of Directors of Chicago Bridge. However, as to Awards to any individual who is a member of that Committee or an executive officer or a Supervisory Director of the Company, the Organization and Compensation Committee of the Supervisory Board (the Supervisory Committee) will act as the Committee. In addition, the Supervisory Committee may in its discretion exercise directly any function of the Committee, including the making of Awards to any employees or nonemployee members of the Supervisory Board or nonemployee consultants. Subject to the foregoing, the Committee will have the power, among other things, to select employees of the Company and its affiliates (and nonemployee members of the Supervisory Board or nonemployee consultants) to whom Awards are granted, and to determine the sizes and types of Awards and the terms and conditions of Awards. The Committee is authorized to construe and interpret the Amended Plan and any related award agreements, to establish, amend or waive rules relating to plan administration, to amend outstanding Awards, and to make all other determinations which may be necessary or advisable for the administration of the Amended Plan. The Committee may delegate its authority.

Shares Subject to the Amended Plan. Subject to the anti-dilution adjustment described below, a total of 4,127,918 shares will be reserved for Awards under the Amended Plan. The number of shares with respect to which Awards may be granted in the form of options to any single participant in any one fiscal year may not exceed 1,000,000. The number of shares with respect to which Awards may be granted in the form of restricted stock and performance shares/units combined to any single participant in any one fiscal year may not exceed 500,000. Shares may be held in a trust of the kind commonly known as a rabbi trust pending transfer to participants under an Award.

In the event of a stock dividend, stock split or other change in corporate capitalization, or a corporate transaction such as a merger, consolidation or spin-off, or a reorganization or liquidation of the Company, the Committee shall adjust the number and class of shares which may be issued under the Amended Plan, the limitation on the number of shares that may be the subject of Awards under the Amended Plan, and the number, class and option or other purchase price of shares subject to outstanding Awards under the Amended Plan, as the Committee deems appropriate and equitable

to prevent dilution or enlargement of rights.

If any shares subject to any Award granted under the Amended Plan are forfeited or such Award otherwise terminates without the issuance of such shares or of other consideration in lieu of such shares, the shares subject to such Award, to the extent of any such forfeiture or termination, are again available for grant under the Amended

Table of Contents

Plan. If shares are applied to pay the exercise price upon exercise of an option pursuant to the Amended Plan or applied to withholding of federal, state and local taxes pursuant to the Amended Plan, the shares so applied are added to the foregoing limitation in determining the number of shares remaining for grants pursuant to Awards, and shall be available for grants under the Amended Plan. No fractional shares are issued under the Amended Plan.

Eligibility. All employees of the Company and its affiliates, who are in salary grades 16 and above, non-employee members of the Supervisory Board and non-employee consultants to the Company (approximately 1,600 persons) are eligible to be participants. The Committee selects from among these eligible individuals those to whom Awards are actually granted.

Stock Options. The Committee grants options, which may be ISOs or nonqualified options, pursuant to Award agreements. The option price per share purchasable under any stock option will be determined by the Committee, in its sole discretion, but cannot in any event be less than 100% of the fair market value of a share on the date the option is granted. On March 27, 2008, the closing price of the Common Stock was \$39.31 per share. The Committee determines, in its sole discretion, the term of each stock option and the time or times when it may be exercised. Options may be exercised by payment of the exercise price in cash, or, in the sole discretion of the Committee, in shares with a fair market value equal to the exercise price of the option, or pursuant to a cashless exercise through a broker-dealer.

Restricted Stock. Restricted stock may be awarded in the form of restricted stock shares (which are shares issued by the Company subject to risk of forfeiture and restrictions on such shares), or restricted stock units (which are bookkeeping units evidencing a participant's right to receive shares in the future upon or after the lapse of risks of forfeiture and restrictions on such units). Restricted stock shares or units may not be disposed of by the recipient until the restrictions established by the Committee lapse. Upon termination of employment during the restriction period, all restricted stock is forfeited, subject to such exceptions, if any, made by the Committee. Award agreements may impose other restrictions or vesting conditions, including achievement of specific Company-wide, divisional or individual performance goals (which can include the performance goals described below).

Recipients are not required to pay for restricted stock other than by rendering of services or the payment of any minimum amount required by law. With respect to restricted stock shares, the participant has all of the rights of a shareholder, including the right to vote the shares and the right to receive any cash dividends, unless the Committee shall otherwise determine. With respect to restricted stock units, the participant has the right to receive the equivalent of any cash dividends, unless the Committee shall otherwise determine, but not the right to vote the shares. Restricted stock units are paid by issuance of the applicable number of shares at or after the satisfaction of the applicable vesting date.

Performance Awards. Performance shares pay out a variable number of shares of Common Stock depending on goal achievement. Performance units provide for payment of an amount, based either on the value of shares or appreciation in the price of shares, upon the achievement of performance goals. Such shares or units have an initial value determined by the Committee as of the date of grant. In the case of a performance share, this value equals the value of a share of Common Stock. The Committee selects the period during which one or more performance criteria designated by the Committee are measured for the purpose of determining the extent to which performance shares or units will have been earned. The performance criteria which the Committee may designate are operating income, earnings (before or after any of interest, taxes, depreciation and amortization), return on net assets, net income (before or after taxes), after-tax return on investment, sales, revenue, earnings per share (excluding special charges, as reported to shareholders), total shareholder return, return on equity, total business return, return on invested capital, operating cash flow, free cash flow, economic value added, new business taken (measured by revenue, net income or operating income), and contract backlog, in each case where applicable determined either on a Company-wide basis or in respect of any one or more business units. The Committee may apply any fixed combination of those performance

measures and use target levels or target growth rates of any of those performance measures.

Performance awards may be paid in cash, stock, other property or a combination thereof. Recipients are not required to pay for performance awards other than by rendering services and any minimum consideration required by applicable law.

Table of Contents

Change of Control. A change of control would occur in the event of the acquisition by anyone other than the Company or a subsidiary of the Company of a 25% or greater interest in the Company; certain mergers and other transactions which result in the Company's shareholders owning 70% or less of the surviving corporation; or certain changes in the composition of the Supervisory Board. Upon a change of control, all options become exercisable, all restriction periods and restrictions on restricted stock lapse, and target payout opportunities attainable under all outstanding Awards of restricted stock, performance units and performance shares are deemed to be fully earned (with such Award denominated in shares becoming fully vested). The definition and consequences of a change of control may be varied in an Award agreement or other written agreement with the participant.

Recovery of Certain Awards. If any of the Company's financial statements are required to be restated as a result of misconduct or fraud, the Company at the direction of the O&C Committee in its sole discretion, may recover all or any portion of an award (or in the case of a stock award, the value realized by sale of the stock) that is negatively affected by any restatement of the Company's financial statements as a result of misconduct or fraud. For this purpose, misconduct or fraud includes any circumstance where the forfeiture of an award is required by law, and any other circumstance where the O&C Committee determines in its sole discretion that the individual personally and knowingly engaged in practices that materially contributed to a material noncompliance with any financial reporting requirement, or had knowledge of such material noncompliance or the circumstances giving rise to such noncompliance and failed to take reasonable steps to bring it to the attention of the appropriate individuals within the Company.

Power to Amend. The Board of Directors of Chicago Bridge may amend, alter or discontinue the Amended Plan at any time without the approval of the shareholders of the Company.

Other Provisions. ISOs are not transferable unless an award agreement provides for transferability. Restricted stock is not transferable prior to vesting. Performance shares and performance units are not transferable prior to payment except as provided in the Award agreement. However, all such Awards are transferable upon death under the laws of descent and distribution or by the participant's designation of a beneficiary. In the discretion of the Committee, withholding tax liabilities incident to the exercise of an option or other taxable event may be satisfied by withholding of shares.

Table of Contents**New Plan Benefits**

The benefits or amounts that will be received by or allocated to executive officers, non-executive directors, and employees other than executive officers, by reason of the Amendment, are not yet determinable. Future awards are in the discretion of the Committee (including, as applicable, the Supervisory Committee), and cannot be determined at this time.

The table below sets forth the number of performance share grants, restricted stock units and options that were granted under the Plan in 2008 through March 28, 2008. The dollar value represents the sum of the grant date fair values of the respective restricted stock, performance share, and option awards. If the Amended Plan is not approved, the grants will remain outstanding.

1999 LONG-TERM INCENTIVE PLAN

Name and Position	Dollar Value	Number of Units
Philip K. Asherman, <i>President and Chief Executive Officer</i>	\$ 5,353,240	136,319
Ronald A. Ballschmiede, <i>Executive Vice President and Chief Financial Officer</i>	\$ 1,219,710	32,354
John W. Redmon <i>Executive Vice President-Operations</i>	\$ 1,006,690	26,834
Ronald E. Blum, <i>Executive Vice President-Global Business Development</i>	\$ 926,724	25,294
David P. Bordages, <i>Vice President Human Resources and Administration</i>	\$ 563,995	15,273
Executive Group	\$ 11,861,045	304,752
Non-Executive Director Group	\$	
Non-Executive Officer Employee Group	\$ 21,307,010	530,055

Tax Aspects of the Amended Plan

The following summarizes the U.S. federal tax consequences generally arising under present law with respect to awards granted under the Amended Plan. The grant of an option creates no tax consequences for a grantee or the Company. In general, the grantee will have no taxable income upon exercising an ISO if the applicable ISO holding period is satisfied (except that the alternative minimum tax may apply), and the Company will receive no deduction when an ISO is exercised. In general, the grantee will realize ordinary income upon exercising a nonqualified option equal to the difference between the option price and the fair market value of shares on the date of the exercise. The Company will be entitled to a deduction for the same amount. Generally, there will be no tax consequence to the Company in connection with a disposition of shares acquired by exercise of an option, except that the Company may be entitled to a deduction in the case of a disposition of shares acquired by exercise of an ISO before the applicable ISO holding period has been satisfied.

The award of restricted stock shares or units generally will create no tax consequences for a participant or the Company at the time of the award. The participant will realize ordinary income (and the company will normally be entitled to a corresponding deduction) when the restricted stock shares become freely transferable or the restrictions lapse, whichever occurs first, in the amount of the fair market value of the restricted stock shares at that time. The award of restricted stock units, performance shares and performance units generally will create no tax for a participant

or the company at the time of the award. The participant will realize ordinary income (and the Company will normally be entitled to a corresponding deduction) when the restricted stock units, performance stock or performance units are paid or transferred to the participant in the form of shares (or cash) at the time the units vest or the performance goals are attained. If, however, the restricted stock units, performance shares, or performance units are paid in the form of shares which continue to be nontransferable and subject to a substantial risk of forfeiture, the participant's tax (and the Company's deduction) will be incurred (and taken) when those restrictions lapse under the rules for restricted property described above.

Table of Contents

The affirmative vote of a majority of the votes cast at the meeting is required to approve the Amendment and the Amended Plan.

THE SUPERVISORY BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR APPROVAL OF THE AMENDMENT AND THE AMENDED PLAN.

ITEM 10

EXTENSION OF AUTHORITY OF SUPERVISORY BOARD TO ISSUE SHARES, TO GRANT THE RIGHT TO ACQUIRE SHARES AND TO LIMIT OR EXCLUDE PREEMPTIVE RIGHTS UNTIL MAY 8, 2013

At the Annual Meeting, you will be asked to resolve on a further extension of the designation of the Supervisory Board to issue shares and/or grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude preemptive rights in respect of the issuance of shares or the grant of the right to acquire shares, for a five-year period from the date of the Annual Meeting until May 8, 2013. Under the laws of the Netherlands and our Articles of Association, shareholders have a pro rata preemptive right to subscribe for any shares issued for cash unless such right is limited or excluded. Shareholders have no preemptive right with respect to any shares issued for consideration other than cash or pursuant to certain employee share plans. Shareholders also have a pro rata preemptive right to participate in any grant of the right to acquire shares for cash, other than certain grants under employee share plans. If designated for this purpose at the Annual Meeting, the Supervisory Board will have the power to issue and/or grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude preemptive rights with respect to the issuance of shares or the grant of the right to acquire shares. Such a designation may be effective for up to five years and may be renewed on an annual rolling basis. At the 2007 annual meeting, the shareholders designated the Supervisory Board for a five-year period to issue shares and/or grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude preemptive rights with respect to the issuance of shares or the grant of the right to acquire shares. This five-year period will expire on May 10, 2012.

The affirmative vote of a majority of the votes cast at the Annual Meeting, or the affirmative vote of two-thirds of the votes cast if less than 50% of the issued capital is represented at the meeting, is required to extend the authorization of the Supervisory Board to issue and/or to grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude preemptive rights for a five-year period from the date of the Annual Meeting until May 8, 2013.

THE SUPERVISORY BOARD RECOMMENDS THAT YOU VOTE FOR THE DESIGNATION OF THE SUPERVISORY BOARD TO ISSUE AND/OR GRANT RIGHTS TO ACQUIRE SHARES (INCLUDING OPTIONS TO SUBSCRIBE FOR SHARES) AND TO LIMIT OR EXCLUDE PREEMPTIVE RIGHTS UNTIL MAY 8, 2013.

ITEM 11

APPROVE THE COMPENSATION OF THE SUPERVISORY BOARD MEMBER WHO SERVES AS THE NON-EXECUTIVE CHAIRMAN

Under our Articles of Association, the shareholders determine the compensation of Supervisory Directors for service in their capacities as Supervisory Directors, including changes to their compensation. As approved by shareholders in 1997, 2000, 2003 and 2005, Supervisory Directors who are not employees receive an annual retainer of \$30,000 (except for the annual retainer of the non-executive Chairman of the Supervisory Board, which is \$90,000), a meeting attendance fee of \$1,500 and an annual grant of 4,400 units of shares of restricted stock. Committee chairmen receive an annual retainer of \$5,000, except the chairman of the Audit Committee who receives an annual retainer of \$10,000,

and committee members receive a meeting attendance fee of \$1,000. Supervisory Director fees are more fully described under the caption Compensation of Directors .

We propose to increase the annual retainer of the non-executive Chairman of the Supervisory Board to \$120,000.

Table of Contents

The affirmative vote of a majority of the votes cast is required to adopt the proposal to establish the compensation of the Supervisory Director who serves as the non-executive Chairman of the Supervisory Board.

THE SUPERVISORY BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE PROPOSAL TO ESTABLISH THE COMPENSATION OF THE SUPERVISORY BOARD MEMBER WHO SERVES AS THE NON-EXECUTIVE CHAIRMAN OF THE SUPERVISORY BOARD.

ITEM 12

DISCUSSION OF DIVIDEND POLICY

Under the Dutch Corporate Governance Code, we are required to provide shareholders with an opportunity at our Annual Meeting to discuss our dividend policy and any major changes in that policy. Shareholders will not be entitled to adopt a binding resolution determining our future dividend policy.

Pursuant to our Articles of Association, the Management Board, with the approval of the Supervisory Board, may determine that an amount shall be reserved out of our annual profits. The portion of our annual profits that remains after such reservation is at the disposal of the general meeting of shareholders. Out of our share premium reserve and other reserves available for shareholder distributions under the law of the Netherlands, the general meeting of shareholders may declare distributions upon the proposal of the Management Board (after approval by the Supervisory Board). We may not pay dividends if the payment would reduce shareholders' equity below the aggregate nominal value of our common shares outstanding, plus the reserves required to be maintained pursuant to Dutch law or our Articles of Association. Although under Dutch law dividends are generally paid annually, the Management Board, with the approval of the Supervisory Board may, subject to certain statutory provisions, distribute one or more interim dividends or other interim distributions before the accounts for any year have been approved and adopted at a general meeting of shareholders in anticipation of the final dividend or final distribution. Cash dividends and distributions that have not been collected within five years after the date on which they become due and payable shall revert to the Company.

We have declared and paid in the past, and currently intend to declare and pay, regular quarterly cash dividends or distributions on our common shares; however, there can be no assurance that any such dividends or distributions will be declared or paid. The payment of dividends or distributions in the future will be subject to the discretion of our shareholders (in the case of annual dividends), our Management Board and our Supervisory Board and will depend upon general business conditions, legal and contractual restriction on the payment of dividends or distributions, and other factors. We will pay any cash dividends or distributions in U.S. dollars. Any cash dividends or distributions payable to holders of shares registered in our New York registry will be paid to The Bank of New York as New York Transfer Agent and Registrar.

Table of Contents

SHAREHOLDER PROPOSALS

Any proposal of a shareholder intended to be presented at the 2009 Annual Meeting of Shareholders must be received at our principal executive offices no later than December 11, 2008 if the proposal is to be considered for inclusion in our proxy statement relating to such meeting, without prejudice to the shareholders' rights to cause a general meeting of shareholders to be convened under article 34.2 of our Articles of Association and without prejudice to shareholders' rights under Dutch law to cause certain items to be placed on the agenda for Annual Meetings. Proposals from shareholders for next year's annual meeting received at our principal executive offices after February 22, 2009 will be considered untimely. With respect to such proposals, we will vote all shares for which the Company has received proxies in the interest of the Company as determined in the sole discretion of its proxies.

By Order of the Board of Supervisory Directors

/s/ Jerry H. Ballengee

Jerry H. Ballengee
Non-Executive Chairman of the Board of Supervisory Directors

The Hague, The Netherlands
April 8, 2008

Table of Contents

ANNEX A

Deed of Amendment to the Articles of Association

ATTORNEYS AT LAW, TAX ADVISORS AND CIVIL-LAW NOTARIES

**Baker & McKenzie
Amsterdam N.V.**

Claude Debussylaan 54
P.O. Box 2720
1000 CS Amsterdam
The Netherlands

Tel: +31 20 551 7555
Fax: +31 20 626 7949
www.bakernet.com

Draft dated March 20, 2007

AMENDMENT TO THE ARTICLES OF ASSOCIATION
CHICAGO BRIDGE & IRON COMPANY N.V.

On this day, the *** day of *** two thousand eight, appeared before me, Johannes Cornelis Christiaan Paans, a civil-law notary in Amsterdam, hereinafter referred to as: notary :

***.

The appearing person declared as follows:

The public limited liability company: **CHICAGO BRIDGE & IRON COMPANY N.V.**, with corporate seat in Amsterdam and with office address at Polarisavenue 31, 2132 JH Hoofddorp, hereinafter referred to as: the company , were most recently amended by notarial deed executed before Mark Peter Bongard, a civil-law notary in Amsterdam, on the twenty-fourth day of May two thousand five. The certificate of no-objection required by law was obtained with respect to a draft of said deed, by the order of the twentieth day of May two thousand five, number N.V. 579.328.

The company s articles of association now read as set forth upon the execution of the aforementioned deed of amendment to the articles of association of the company. On the *** day of *** two thousand eight, the general meeting of shareholders of the company resolved to amend the company s articles of association. A copy of the minutes of the aforementioned general meeting is attached to this deed.

In the above-mentioned resolution, the appearing person was given authority, among other things, to apply for the certificate of no-objection required by law with respect to the approved amendments to the company s articles of association and to execute and sign the deed of amendment to the articles of association.

The ministerial certificate of no-objection required by law was obtained by the order of the *** day of *** two thousand eight, number N.V. 579.328, which statement is attached to this deed.

In order to execute the resolution to amend the company s articles of association, the appearing person subsequently declared that he hereby amends the company s articles of association in such a manner that Article 40 paragraph 2 of the company s articles of association shall henceforth read as follows:

Article 40. Meeting rights. Admittance.

2. The record date referred to in paragraph 1 of this article cannot be fixed earlier than at a time on the thirtieth day, and not later than at a time on the third day, prior to the date of the general meeting of shareholders. The date on which the notification of the intention to attend the general meeting of shareholders shall have been given at the latest, referred to in paragraph 1 of this article, cannot be fixed earlier than at a time on the seventh day, and not later than at a time on the third day, prior to the date of the general meeting of shareholders. The convocation of the general meeting of shareholders will include said times, the place of the meeting, the proceedings for registration and/or notification and, if share certificates have been issued, share certificates must be lodged not later than on the date referred to in the convocation of the meeting, at the place referred to in such convocation.

A-1

Table of Contents

ATTORNEYS AT LAW, TAX ADVISORS AND CIVIL-LAW NOTARIES

Final Provision

The underlined headings in this deed have been included for ease of reference only.

The appearing person is known to me, notary,

WITNESSETH THIS DEED,

the original of which was drawn up and executed in Amsterdam on the date in the first paragraph of this deed. The substance of this deed was stated and clarified to the appearing person. The appearing person declared that she had taken note of the content of this deed timely before its execution, agreed to its content and did not require a full reading of this deed. Subsequently, after limited reading in accordance with the law, this deed was signed by the appearing person and me, notary.

A-2

Table of Contents

ANNEX B

**2008 Amendment
to the
Chicago Bridge & Iron
1999 Long-Term Incentive Plan**

The Board of Directors of Chicago Bridge & Iron Company, a Delaware corporation (CB&I), pursuant to the right reserved in the Company's 1999 Long-Term Incentive Plan, as previously amended and approved by the shareholders of the Company on May 13, 2005 (the Plan), hereby further amends the Plan as follows:

1. The name of the Plan is amended to be The Chicago Bridge & Iron Company 2008 Long-Term Incentive Plan.

2. Section 2.1 of the Plan is amended to read as follows:

1.1. Establishment of the Plan. Chicago Bridge & Iron Company, a Delaware corporation (CB&I), a wholly owned subsidiary of Chicago Bridge & Iron Company N.V., a Netherlands corporation (the Company), hereby establishes an incentive compensation plan to be known, effective upon the approval of the 2008 amendment to the Plan by the shareholders of the Company, as the Chicago Bridge & Iron Company 2008 Long-Term Incentive Plan (the Plan), as set forth in this document, as amended. The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock Shares, Restricted Stock Units, Performance Shares and Performance Units.

3. Section 2.33 of the Plan is amended to read as follows:

2.33. Restricted Stock Unit means a bookkeeping unit that represents the right of a Participant to be issued and to receive a Share upon lapse of risks of forfeiture and restrictions on such Units during the Period of Restriction.

4. Section 4.1 of the Plan is amended to read as follows:

4.1. Number of Shares Available For Grants. Subject to adjustment as provided in Section 4.3 herein, the number of Shares reserved for issuance to Participants under the Plan is 4,127,918, comprising 984,389 Shares available under the Plan immediately before the date of approval of the 2008 amendment to the Plan by the shareholders of the Company (the 2008 Approval Date), 143,529 Shares available under the Company's 1997 Long-Term Incentive Plan immediately before 2008 Approval Date, and 3,000,000 new Shares approved for issuance to Participants under the Plan as of the 2008 Approval Date. The maximum aggregate number of Shares with respect to which Awards may be granted in any fiscal year to any Participant in the form of Stock Options is 1,000,000. The maximum aggregate number of Shares with respect to which Awards may be granted in the form of Restricted Stock Shares, Restricted Stock Units, Performance Shares and Performance Units combined in any fiscal year to any Participant is 500,000.

5. The second paragraph of Section 7.4 of the Plan is amended to read as follows:

If the Restricted Stock Award is made in Restricted Stock Shares, CB&I shall retain the certificates representing Shares in CB&I's possession until the Vesting Date. If the Restricted Stock Award is made in Restricted Stock Units, no Shares shall be issued until the Vesting Date, but Shares shall be issued in respect of such Units as of the Vesting Date. In either case, certificates for Shares shall be delivered to the Participant on or as soon as practicable after the Vesting Date, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Vesting Date occurs.

6. The first sentence of Section 8.4 of the Plan is amended to read as follows:

Payment of earned Performance Units/Shares shall be made in a single lump sum, as soon as practicable after the Committee has certified the number of Performance Units/Shares earned for the Performance Period, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Participant's rights to such Units/Shares have become vested and nonforfeitable.

B-1

Table of Contents

7. The second sentence of Section 8.5 is amended to read as follows:

Payment of earned Performance Units/Shares shall be made at a time specified by the Committee in its sole discretion and set forth in the Participant's Award Agreement, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Participant's rights to such Units/Shares have become vested and nonforfeitable.

8. Article 11 is amended to read as follows:

ARTICLE XI

Recovery of Certain Awards

If any of the Company's financial statements are required to be restated as a result of misconduct or fraud, the Company at the direction of the Organization and Compensation Committee of the Supervisory Board (O & C Committee) in its sole discretion may recover all or any portion of any Award that was paid (or in the case of any stock Award, the value of which was realized by sale of the stock) based on the financial results that were negatively affected by such restatement. For this purpose, misconduct or fraud includes any circumstance where forfeiture of an Award is required by law, and any other circumstance where the O&C Committee determines in its sole discretion that a Participant (i) personally and knowingly engaged in practices that materially contributed to a material noncompliance with any financial reporting requirement, or (ii) had knowledge of such material noncompliance or the circumstances giving rise to such noncompliance and failed to take reasonable steps to bring it to the attention of the appropriate individuals within the Company.

9. The amendments made by Paragraphs 3, 5, 6, 7 and 8 shall be effective January 1, 2008; and the amendments made by Paragraphs 1, 2 and 4 shall be effective on the date of, and subject to, the approval of this 2008 amendment to the Plan by the shareholders of the Company.

Table of Contents

ANNEX C

**Chicago Bridge & Iron
2008 Long-Term Incentive Plan**

Table of Contents**TABLE OF CONTENTS**

	Page
Article 1. Establishment, Objectives and Duration	C-1
1.1. Establishment of the Plan	C-1
1.2. Objectives of the Plan	C-1
1.3. Duration of the Plan	C-1
Article 2. Definitions	C-1
2.1. Affiliate	C-1
2.2. Award	C-1
2.3. Award Agreement	C-1
2.4. Beneficial Owner or Beneficial Ownership	C-1
2.5. Board or Board of Directors	C-1
2.6. CB&I	C-2
2.7. Change in Control	C-1
2.8. Code	C-2
2.9. Committee	C-2
2.10. Company	C-2
2.11. Director	C-2
2.12. Disability	C-2
2.13. Effective Date	C-2
2.14. Employee	C-2
2.15. Exchange Act	C-2
2.16. Fair Market Value	C-2
2.17. Fiscal Year	C-2
2.18. Incentive Stock Option or ISO	C-2
2.19. Named Executive Officer	C-2
2.20. Nonemployee Director	C-2
2.21. Nonqualified Stock Option or NQSO	C-2
2.22. Option	C-3
2.23. Option Price	C-3
2.24. Optionee	C-3
2.25. Participant	C-3
2.26. Performance-Based Exception	C-3
2.27. Performance Share	C-3
2.28. Performance Unit	C-3
2.29. Period of Restriction	C-3
2.30. Person	C-3
2.31. Restricted Stock	C-3
2.32. Restricted Stock Shares	C-3
2.33. Restricted Stock Unit	C-3
2.34. Retirement	C-3
2.35. Shares	C-3
2.36. Subsidiary	C-3
2.37. Supervisory Board	C-3
2.38. Vesting Date	C-3

Table of Contents

	Page
Article 3. Administration	C-4
3.1. The Committee	C-4
3.2. Authority of the Committee	C-4
3.3. Decisions Binding	C-4
Article 4. Shares Subject to the Plan and Maximum Awards	C-4
4.1. Number of Shares Available for Grants	C-4
4.2. Forfeited and Reacquired Shares	C-4
4.3. Adjustments in Authorized Shares	C-6
4.4. Fractional Shares	C-5
Article 5. Eligibility and Participation	C-5
5.1. Eligibility	C-5
5.2. Actual Participation	C-5
Article 6. Stock Options	C-5
6.1. Grant of Options	C-5
6.2. Award Agreement	C-5
6.3. Option Price	C-5
6.4. Duration of Options	C-5
6.5. Exercise of Options	C-5
6.6. Payment	C-5
6.7. Restrictions on Share Transferability	C-6
6.8. Termination of Employment	C-6
6.9. Nontransferability of Options	C-6
Article 7. Restricted Stock	C-6
7.1. Grant of Restricted Stock	C-6
7.2. Restricted Stock Agreement	C-6
7.3. Transferability	C-6
7.4. Other Restrictions	C-7
7.5. Voting Rights	C-7
7.6. Dividend and Other Distributions	C-7
7.7. Termination of Employment	C-7
7.8. Rights Personal to Participant	C-7
Article 8. Performance Units and Performance Shares	C-8
8.1. Grant of Performance Units/Shares	C-8
8.2. Value of Performance Units/Shares	C-8
8.3. Earning of Performance Units/Shares	C-8
8.4. Form and Timing of Payment of Performance Units/Shares	C-8
8.5. Termination of Employment Due to Death, Disability, or Retirement	C-8
8.6. Termination of Employment for Other Reasons	C-8
8.7. Nontransferability	C-8
Article 9. Performance Measures	C-9

Article 10. Beneficiary Designation	C-9
Article 11. Recovery of Certain Awards	C-9

C-ii

Table of Contents

	Page
Article 12. Rights of Employees	C-10
12.1. Employment	C-10
12.2. Participation	C-10
Article 13. Change in Control	C-10
13.1. Treatment of Outstanding Awards	C-10
13.2. Termination, Amendment, and Modifications of Change-in-Control Provisions	C-10
Article 14. Amendment, Modification, and Termination	C-10
14.1. Amendment, Modification, and Termination	C-10
14.2. Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events	C-10
14.3. Awards Previously Granted	C-10
Article 15. Withholding	C-11
15.1. Tax Withholding	C-11
15.2. Share Withholding	C-11
Article 16. Indemnification	C-11
Article 17. Successors	C-11
Article 18. Legal Construction	C-11
18.1. Gender and Number	C-11
18.2. Severability	C-12
18.3. Requirements of Law	C-12
18.4. Securities Law Compliance	C-12
18.5. Governing Law	C-12

Table of Contents

**Chicago Bridge & Iron
2008 Long-Term Incentive Plan**

ARTICLE 1.

Establishment, Objectives and Duration

1.1. *Establishment of the Plan.* Chicago Bridge & Iron Company, a Delaware corporation (*CB&I*), a wholly owned subsidiary of Chicago Bridge & Iron Company N.V., a Netherlands corporation (the *Company*), hereby establishes an incentive compensation plan to be known, effective upon the approval of the 2008 amendment to the Plan by the shareholders of the Company, as the *Chicago Bridge & Iron Company 2008 Long-Term Incentive Plan* (the *Plan*), as set forth in this document, as amended. The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock Shares, Restricted Stock Units, Performance Shares and Performance Units.

1.2. *Objectives of the Plan.* The objectives of the Plan are to optimize the profitability and growth of CB&I, the Company and their respective Subsidiaries, through incentives which are consistent with CB&I's goals and which link the personal interests of Participants to those of the Company's shareholders; to provide Participants with an incentive for excellence in individual performance; and to promote teamwork among Participants.

The Plan is further intended to provide flexibility to CB&I in its ability to motivate, attract, and retain the services of Participants who make significant contributions to CB&I's success and to allow Participants to share in the success of CB&I.

1.3. *Duration of the Plan.* The Plan shall become effective as of May 1, 2008 (the *Effective Date*), subject to its approval by the shareholders of the Company, and shall remain in effect, subject to the right of the Board of Directors to amend or terminate the Plan at any time pursuant to Article 14 hereof, until all Shares subject to it shall have been purchased or acquired according to the Plan's provisions.

ARTICLE 2.

Definitions

Whenever and wherever used in the Plan, the following terms shall have the meanings set forth below, and when the meaning is intended, the initial letter of the word shall be capitalized:

- 2.1. *Affiliate* shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.
- 2.2. *Award* means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, Restricted Stock Shares, Restricted Stock Units, Performance Shares or Performance Units.
- 2.3. *Award Agreement* means an agreement setting forth the terms and provisions applicable to an Award granted to a Participant under this Plan.
- 2.4. *Beneficial Owner* or *Beneficial Ownership* shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.
- 2.5. *Board* or *Board of Directors* means the Board of Directors of CB&I.

2.6. *CB&I* means Chicago Bridge & Iron Company, a Delaware corporation and the sponsor of the Plan.

2.7. *Change in Control* unless otherwise defined in the Award Agreement or other written agreement between the Participant and the Company (or CB&I or the Committee), will be deemed to have occurred:

(a) Any Person, other than the Company, any Subsidiary or any employee benefit plan (or related trust) of the Company or any such Subsidiary, becomes the Beneficial Owner of 25% or more of the total voting power of the Company's outstanding securities;

C-1

Table of Contents

(b) During any period of two years or less, individuals who at the beginning of such period constituted the Supervisory Board of the Company cease for any reason to constitute at least a majority thereof; provided that any new member of the Supervisory Board who is nominated for election to the Supervisory Board with the approval of at least 75% of the other members then still in office who were members at the beginning of the period shall be considered for purposes of this paragraph (b) as having been a member at the beginning of such period; or

(c) Upon the consummation of (i) any merger or other business combination of the Company with or into another corporation pursuant to which the persons who were the shareholders of the Company immediately before such consummation do not own, immediately after such consummation, more than 70% of the voting power and the value of the stock of the surviving corporation in substantially the same respective proportions as their ownership of the common stock of the Company immediately prior to such consummation, or (ii) the sale, exchange or other disposition of all or substantially all the consolidated assets of the Company.

2.8. *Code* means the Internal Revenue Code of 1986, as amended from time to time.

2.9. *Committee* means the Committee appointed by the Board to administer the Plan as provided in Article 3 herein or, to the extent it functions as the Committee as provided in Article 3 herein, the Organization and Compensation Committee of the Supervisory Board.

2.10. *Company* means Chicago Bridge & Iron Company N.V., a Netherlands corporation, including, as may be applicable to the context, any and all Subsidiaries and Affiliates, and any successor thereto.

2.11. *Director* means any individual who is a member of the Board of Directors of CB&I or any Subsidiary or Affiliate.

2.12. *Disability* shall mean a mental or physical condition of a Participant which the Committee, on the basis of information satisfactory to it, finds to be a permanent condition which renders such member unfit to perform the duties of an Employee, as such duties shall be determined by the Committee. Any determination of whether any condition of a Participant constitutes Disability shall be made under rules uniformly applied to all Participants.

2.13. *Effective Date* shall have the meaning ascribed to such term in Section 1.3 hereof.

2.14. *Employee* means any employee of CB&I or the Company or their respective Subsidiaries and Affiliates. Directors who are not employed by any of the foregoing shall not be considered Employees under this Plan.

2.15. *Exchange Act* means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.16. *Fair Market Value* of Shares as of any date shall be determined on the basis of the closing sale price of Shares on the principal securities exchange on which the Shares are traded or if there is no such sale on the relevant date, then on the last previous day on which a sale was reported.

2.17. *Fiscal Year* means a fiscal year of CB&I.

2.18. *Incentive Stock Option or ISO* means an option to purchase Shares which is designated as an Incentive Stock Option and which is intended to meet the requirements of Code Section 422, granted to a Participant pursuant to Article 6 herein.

2.19. *Named Executive Officer* means a Participant who, as of the last date of a taxable year of CB&I, is one of the group of covered employees, as defined in the regulations promulgated under Code Section 162(m), or any successor statute.

2.20. *Nonemployee Director* means an individual who is a member of the Supervisory Board but who is not an Employee.

2.21. *Nonqualified Stock Option or NQSO* means an option to purchase Shares which is not intended to meet the requirements of Code Section 422, granted to a Participant pursuant to Article 6 herein.

C-2

Table of Contents

- 2.22. *Option* means an Incentive Stock Option or a Nonqualified Stock Option.
- 2.23. *Option Price* means the price at which a Share may be purchased by a Participant pursuant to an Option.
- 2.24. *Optionee* means the Participant or, if the Participant has died, his or her Beneficiary, or other person determined under Section 6.9, entitled to exercise any Option.
- 2.25. *Participant* means an Employee, Nonemployee Director or nonemployee consultant to the Company who has outstanding an Award.
- 2.26. *Performance-Based Exception* means the performance-based exception from the tax deductibility limitations of Code Section 162(m).
- 2.27. *Performance Share* means an Award providing for the payment of a variable number of Shares depending on the achievement of performance goals, granted to a Participant pursuant to Article 8 herein.
- 2.28. *Performance Unit* means an Award providing for the payment of an amount based on either the Fair Market Value of Shares or the appreciation in Fair Market Value of Shares upon the achievement of performance goals, granted to a Participant, pursuant to Article 8 herein.
- 2.29. *Period of Restriction* means the period during which the transfer of Restricted Stock Shares or Restricted Stock Units is limited in some way (based on the passage of time, the achievement of performance goals, or upon the occurrence of other events, as determined by the Committee, at its discretion), and the Shares are subject to a substantial risk of forfeiture, as provided in Article 7 herein.
- 2.30. *Person* shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, and shall include a group as defined in Section 13(d) thereof.
- 2.31. *Restricted Stock* means Restricted Stock Shares or Restricted Stock Units.
- 2.32. *Restricted Stock Shares* means Shares which are issued and awarded to Participants subject to a substantial risk of forfeiture and restrictions on such Shares during the Period of Restriction as provided in Article 7 herein.
- 2.33. *Restricted Stock Unit* means a bookkeeping unit that represents the right of a Participant to be issued and to receive a Share upon lapse of risks of forfeiture and restrictions on such Units during the Period of Restriction.
- 2.34. *Retirement* means (i) a termination of employment after age 55 and at least a 10 year period of employment by CB&I or the Company or their respective present or former Subsidiaries or Affiliates, or a 30-year period of such employment, or age 65, or (ii) solely in the case of an individual who terminates service as a Nonemployee Director or service as a nonemployee consultant to the Company, such termination following the term of a Nonemployee Director or a resignation required by age limitation, or the expiration of the term of a consulting agreement; provided, however, that the Committee as part of an Award Agreement or otherwise may provide that for purposes of this Section, a Participant may be credited with such additional years of age and employment as the Committee in its sole discretion shall determine is appropriate, and may provide such additional or different conditions for Retirement as the Committee in its sole discretion shall determine is appropriate.
- 2.35. *Shares* means shares of common stock of the Company.

2.36. *Subsidiary* means any corporation in which CB&I or the Company owns directly, or indirectly through subsidiaries, at least 50% of the total combined voting power of all classes of stock, or any other entity (including, but not limited to, partnerships and joint ventures) in which CB&I or the Company owns at least 50% of the combined equity thereof.

2.37. *Supervisory Board* means the Supervisory Board of the Company.

2.38. *Vesting Date* means with respect to Restricted Stock and Restricted Stock Units the date (if any) on which the risks of forfeiture and restrictions on such Restricted Stock Shares or Units during the Period of

Table of Contents

Restriction have terminated (by their terms or by other action of the Committee consistent with this Plan) and all other conditions or restrictions applicable to such Restricted Stock Shares or Units have been satisfied.

ARTICLE 3.

Administration

3.1. *The Committee.* The Plan shall be administered by a Committee, the members of which shall be appointed from time to time by, and shall serve at the discretion of, the Board; provided, however, that (i) with respect to grants and Awards made or to be made to or held by any member of such Committee or any Named Executive Officer, the Plan shall be administered by the Organization and Compensation Committee of the Supervisory Board; and (ii) the Organization and Compensation Committee of the Supervisory Board may in its sole discretion exercise directly any power, right, duty or function of the Committee, including but not limited to the grant or amendment of an Award to any Employee, Nonemployee Director or nonemployee consultant to the Company.

3.2. *Authority of the Committee.* Except as limited by law or by the Certificate of Incorporation or Bylaws of CB&I, and subject to the provisions herein, the Committee shall have full power to select Employees, Nonemployee Directors and nonemployee consultants to the Company who shall participate in the Plan; determine the sizes and types of Awards; determine the terms and conditions of Awards in a manner consistent with the Plan; construe and interpret the Plan and any agreement or instrument entered into under the Plan as they apply to Employees; establish, amend, or waive rules and regulations for the Plan administration as they apply to Employees; and (subject to the provisions of Article 14 herein) amend the terms and conditions of any outstanding Award to the extent such terms and conditions are within the discretion of the Committee as provided in the Plan. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, the Committee may delegate its authority as specified herein.

3.3. *Decisions Binding.* All determinations and decisions made by the Committee pursuant to the Plan and all related orders and resolutions of the Board shall be final, conclusive and binding on all persons, including CB&I, the Company, their respective shareholders, Directors, members of the Supervisory Board, Employees, Participants, and their estates and beneficiaries.

ARTICLE 4.

Shares Subject to the Plan and Maximum Awards

4.1. *Number of Shares Available for Grants.* Subject to adjustment as provided in Section 4.3 herein, the number of Shares reserved for issuance to Participants under the Plan is 4,127,918, comprising 984,389 Shares available under the Plan immediately before the date of approval of the 2008 amendment to the Plan by the shareholders of the Company (the 2008 Approval Date), 143,529 Shares available under the Company's 1997 Long-Term Incentive Plan immediately before 2008 Approval Date, and 3,000,000 new Shares approved for issuance to Participants under the Plan as of the 2008 Approval Date. The maximum aggregate number of Shares with respect to which Awards may be granted in any fiscal year to any Participant in the form of Stock Options is 1,000,000. The maximum aggregate number of Shares with respect to which Awards may be granted in the form of Restricted Stock Shares, Restricted Stock Units, Performance Shares and Performance Units combined in any fiscal year to any Participant is 500,000.

4.2. *Forfeited and Reacquired Shares.* If any Shares subject to any Award are forfeited or such Award otherwise terminates without the issuance of such Shares or of other consideration in lieu of such Shares, the Shares subject to such Award, to the extent of any such forfeiture or termination, shall again be available for grant under the Plan. If Shares are applied to pay the Option price upon exercise of an Option or to satisfy federal, state or local tax

withholding requirements pursuant Section 15.2, the Shares so applied shall be added to the Shares permitted under the limitations of Section 4.1 in determining the number of Shares remaining for issuance and for grants of Awards with respect to such Shares under the Plan.

C-4

Table of Contents

4.3. *Adjustments in Authorized Shares.* In the event of any change in corporate capitalization, such as a stock split, or a corporate transaction, such as a merger, consolidation, separation, spin-off, or other distribution of stock or property of the Company, or any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368) or any partial or complete liquidation of the Company, the Committee shall adjust the number and class of Shares which may be issued under Section 4.1 and in the limitation of Section 4.1 on grants of Awards with respect to Shares, in the number, class and/or price of Shares subject to outstanding Awards, as the Committee in its sole discretion determines to be appropriate and equitable to prevent dilution or enlargement of rights; provided, however, that the number of Shares subject to any Award shall always be a whole number.

4.4. *Fractional Shares.* No fractional Shares shall be issued to Participants under the Plan. If for any reason an Award or adjustment thereto would otherwise result in the issuance of a fractional Share to a Participant, the Company shall pay the Participant in cash the Fair Market Value of such fractional Share.

ARTICLE 5.

Eligibility and Participation

5.1. *Eligibility.* Persons eligible to participate in this Plan include all Employees who are in salary grades 16 and above, including Employees who are members of the Board, Nonemployee Directors, and nonemployee consultants performing services for the Company.

5.2. *Actual Participation.* Subject to the terms and provisions of the Plan, the Committee may, from time to time, select from all eligible individuals those to whom Awards shall be granted and shall determine the nature and amount of each Award.

ARTICLE 6.

Stock Options

6.1. *Grant of Options.* Subject to the terms and provisions of the Plan, the Committee may grant Options to Participants in such number, and upon such terms, and at any time and from time to time, as the Committee in its discretion may determine; provided, however, that no Option intended to be an ISO may be granted to a Nonemployee Director or nonemployee consultant to the Company. The date an Option is granted shall be the day on which the Committee acts to award a specific number of Shares to a Participant at a specific Option Price, and shall be specified in each Award Agreement.

6.2. *Award Agreement.* Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the expiration date of the Option, the number of Shares to which the Option pertains, and such other provisions as the Committee shall determine. The Award Agreement also shall specify whether or not the Option is intended to be an ISO.

6.3. *Option Price.* The Option Price for each grant of an Option under this Plan shall be at least equal to 100% of the Fair Market Value of a Share on the date the Option is granted.

6.4. *Duration of Options.* Each Option shall expire at such time (not later than the 10th anniversary of its date of grant) as the Committee shall determine at the time of grant. If an Award Agreement does not specify an expiration date, the Option shall expire on the 10th anniversary of its date of grant.

6.5. *Exercise of Options.* Options shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.6. *Payment.* If the Award Agreement does not otherwise specify the manner of exercise, Options shall be exercised by the delivery of a written notice of exercise to CB&I identifying the Option(s) being exercised, completed by the Optionee and delivered during regular business hours to the office of the Secretary of CB&I, or sent by certified mail to the Secretary of CB&I, accompanied by a negotiable check or other cash equivalent in full

Table of Contents

payment for the Shares. A copy of such notice of exercise shall also be delivered by the Optionee to the office of the Secretary of the Company.

In the discretion of the Committee and as set forth in the Award Agreement, the Optionee may pay the Option Price to CB&I upon exercise of any Option by tendering previously acquired Shares which have been held by the Optionee for at least six months and which have an aggregate Fair Market Value at the time of exercise equal to the total Option Price, or by a combination of such Shares and a check or other cash equivalent.

The Committee also may allow cashless exercise as permitted under Federal Reserve Board's Regulation T, subject to applicable securities law restrictions, or exercise by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law.

Subject to any governing rules or regulations, as soon as practicable after receipt of a written notification of exercise and full payment, CB&I shall deliver, or have delivered, to the Optionee, in the Optionee's name, certificates for an appropriate number of Shares based upon the number of Shares purchased under the Option(s).

6.7. *Restrictions on Share Transferability.* The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option under this Article 6 as it may deem advisable, including, without limitation, restrictions under applicable securities laws and under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded.

6.8. *Termination of Employment.* Each Participant's Option Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment as an Employee or service as a Nonemployee Director or service as a nonemployee consultant to the Company. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Options issued pursuant to this Article 6, and may reflect distinctions based on the reasons for termination of employment.

6.9. *Nontransferability of Options.*

(a) *Incentive Stock Options.* No ISO may be sold, transferred, pledged, assigned, or otherwise alienated, other than by will or by the laws of descent and distribution. Further, all ISOs granted to a Participant under this Article 6 shall be exercisable during his or her lifetime only by such Participant or by designation of a Beneficiary in accordance with Article 10.

(b) *Nonqualified Stock Options.* Except as otherwise provided in a Participant's Award Agreement, no NQSO may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement, all NQSOs granted to a Participant under this Article 6 shall be exercisable during his or her lifetime only by such Participant or by designation of a Beneficiary in accordance with Article 10.

ARTICLE 7.

Restricted Stock

7.1. *Grant of Restricted Stock.* Subject to the terms and provisions of the Plan, the Committee may grant Awards of Restricted Stock Shares or Restricted Stock Units to Participants in such amounts and upon such terms, and at any time and from time to time, as the Committee shall in its discretion determine.

7.2. *Restricted Stock Agreement.* Each Restricted Stock grant shall be evidenced by a Restricted Stock Award Agreement that shall specify whether the grant is an Award of Restricted Stock Shares or Restricted Stock Units, the Period(s) of Restriction, the number of Shares or Units of Restricted Stock granted, and such other provisions as the Committee shall determine.

7.3. *Transferability.* Except as otherwise provided in this Article 7, Restricted Stock Units may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated; and Restricted Stock Shares may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction established by the Committee and specified in the Restricted Stock Award Agreement, or upon earlier

Table of Contents

satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Restricted Stock Award Agreement. Except as otherwise provided in this Article 7, Restricted Stock Shares shall become freely transferable by the Participant upon the Vesting Date, and Shares issued in respect of Restricted Stock Units shall be freely transferable by the Participant upon issuance to the Participant on or after the Vesting Date.

7.4. Other Restrictions. The Committee may impose such other conditions and/or restrictions on any Shares or Units of Restricted Stock granted pursuant to the Plan as it may deem advisable, including, without limitation, a requirement that Participants pay a stipulated purchase price at a stipulated time for each Share or Unit of Restricted Stock, restrictions and conditions of vesting or forfeiture based upon the achievement of specific performance goals (Company-wide, divisional, and/or individual), time-based restrictions on vesting following the attainment of the performance goals, and/or restrictions under applicable Federal or state securities laws.

If the Restricted Stock Award is made in Restricted Stock Shares, CB&I shall retain the certificates representing Shares in CB&I's possession until the Vesting Date. If the Restricted Stock Award is made in Restricted Stock Units, no Shares shall be issued until the Vesting Date, but Shares shall be issued in respect of such Units as of the Vesting Date. In either case, certificates for Shares shall be delivered to the Participant on or as soon as practicable after the Vesting Date, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Vesting Date occurs.

7.5. Voting Rights. Unless otherwise provided in the Award Agreement, Participants awarded Restricted Stock Shares hereunder which have not been forfeited may exercise full voting rights with respect to those Shares during the Period of Restriction. Restricted Stock Units shall not confer any voting rights (unless and until Shares are issued therefor on or after the Vesting Date).

7.6. Dividend and Other Distributions. Unless otherwise provided in the Award Agreement, if during the Period of Restriction prior to a Vesting Date or forfeiture of Restricted Stock:

- (a) Cash dividends are paid on Shares, (i) the Company shall pay Participants holding Restricted Stock Shares the regular cash dividends paid with respect to the Shares; and (ii) the Company shall pay Participants holding Restricted Stock Units an amount equal to the cash dividends paid on an equivalent number of Shares;
- (b) Dividends in Shares are paid in Shares, (i) Participants holding Restricted Stock Shares shall be credited with such dividends as additional Restricted Stock Shares subject to the same restrictions as the underlying Shares; and (ii) Participants holding Restricted Stock Units shall be credited with additional Restricted Stock Units equivalent to such dividends, subject to the same restrictions as the underlying Units.

The Committee may in its discretion apply any restrictions to the dividends that the Committee deems appropriate.

7.7. Termination of Employment. Except as otherwise provided in the Award Agreement, if the Participant's employment as an Employee or service as a Nonemployee Director or nonemployee consultant to CB&I or the Company or their respective Subsidiaries and Affiliates terminates for any reason during the Period of Restriction, all Restricted Stock as to which the Period of Restriction has not yet expired or as to which a Vesting Date has not otherwise occurred shall be forfeited. The Committee in its discretion may set forth in the Award Agreement the extent to which the Participant shall nevertheless have the right to receive vested unrestricted Shares at or after termination of the Participant's employment as an Employee or service as a Nonemployee Director or nonemployee consultant. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Shares or Units of Restricted Stock issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of employment.

7.8. *Rights Personal to Participant.* All rights prior to the Vesting Date with respect to the Restricted Stock granted to a Participant under the Plan shall be available during his or her lifetime only to such Participant, or in the event of the Participant's death prior to the Vesting Date, to the Beneficiary designated in accordance with Article 10.

C-7

Table of Contents

ARTICLE 8.

Performance Units and Performance Shares

8.1. *Grant of Performance Units/Shares.* Subject to the terms and provisions of the Plan, the Committee may grant Awards of Performance Units and/or Performance Shares to Participants in such amounts and upon such terms, and at any time and from time to time, as the Committee shall in its discretion determine.

8.2. *Value of Performance Units/Shares.* Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the number and/or value of Performance Units/Shares that will be paid out to the Participant. For purposes of this Article 8, the time period during which the performance goals must be met shall be called a Performance Period.

8.3. *Earning of Performance Units/Shares.* Subject to the terms of this Plan, after the applicable Performance Period has ended, the holder of Performance Units/Shares shall be entitled to receive payout on the number and value of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance goals have been achieved.

8.4. *Form and Timing of Payment of Performance Units/Shares.* Payment of earned Performance Units/Shares shall be made in a single lump sum, as soon as practicable after the Committee has certified the number of Performance Units/Shares earned for the Performance Period, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Participant's rights to such Units/Shares have become vested and nonforfeitable. Subject to the terms of this Plan and except as otherwise provided in an Award Agreement, the Committee shall pay earned Performance Shares in Shares but may in its sole discretion pay earned Performance Units in the form of cash or in Shares (or in a combination thereof) which have an aggregate Fair Market Value equal to the value as of the date of distribution of the number of earned Performance Units at the close of the applicable Performance Period. Such Shares may be granted subject to any restrictions deemed appropriate by the Committee.

Unless otherwise provided in the Award Agreement, Participants shall be entitled to receive any dividends paid with respect to Shares which have been earned in connection with grants of Performance Units/Shares but not yet distributed to Participants, such dividends to be subject to the same terms and conditions as apply to dividends earned with respect to Restricted Stock, as set forth in Section 7.6 herein.

8.5. *Termination of Employment Due to Death, Disability, or Retirement.* Unless determined otherwise by the Committee and set forth in the Participant's Award Agreement, in the event the employment or service as a Nonemployee Director or nonemployee consultant of a Participant is terminated by reason of death, Disability, or Retirement during a Performance Period, the Participant shall receive a payout of the Performance Units/Shares in a reduced amount prorated according to the ratio of the length of Participant's employment or service in the Performance Period to the length of the Performance Period, as specified by the Committee in its discretion. Payment of earned Performance Units/Shares shall be made at a time specified by the Committee in its sole discretion and set forth in the Participant's Award Agreement, but in no event later than the 15th day of the third month following the end of the taxable year of the Participant in which the Participant's rights to such Units/Shares have become vested and nonforfeitable. Notwithstanding the foregoing, with respect to Named Executive Officers who retire during a Performance Period, payments shall be made at the same time as payments are made to Participants who did not terminate employment or service during the applicable Performance Period.

8.6. *Termination of Employment for Other Reasons.* In the event that a Participant's employment or service terminates for any reason other than those reasons set forth in Section 8.5 herein, all Performance Units/Shares shall be forfeited

by the Participant to CB&I unless determined otherwise by the Committee, as set forth in the Participant's Award Agreement.

8.7. *Nontransferability.* Except as otherwise provided in a Participant's Award Agreement, Performance Units/Shares may not be sold, transferred, pledged, assigned, or otherwise alienated, other than by will or by the laws of descent and distribution or by designation of a Beneficiary in accordance with Article 10. Further, except as

C-8

Table of Contents

otherwise provided in a Participant's Award Agreement, a Participant's rights under the Plan shall be exercisable during the Participant's lifetime only by the Participant or the Participant's legal representative.

ARTICLE 9.

Performance Measures

The performance measure(s) to be used for purposes of Awards to Named Executive Officers which are designed to qualify for the Performance-Based Exception shall be chosen from among operating income, earnings (either before or after any of interest, taxes, depreciation and amortization), net income (before or after taxes), after-tax return on investment, sales, revenues, earnings per share (excluding special charges, as reported to shareholders), total shareholder return, return on equity, total business return, return of invested capital, operating cash flow, free cash flow, economic value added, new business taken (measured by revenues, net income or operating income), and contract backlog, in each case where applicable determined either on a Company-wide basis or in respect of any one or more business units, including any fixed combination of those performance measures and using target levels or target growth rates of any of those performance measures.

The Committee shall have the discretion to adjust the determinations of the degree of attainment of the pre-established performance goals; provided, however, that Awards to Named Executive Officers, which are designed to qualify for the Performance-Based Exception, may not be adjusted upward (the Committee shall retain the discretion to adjust such Awards downward).

In the event that the Committee determines that it is advisable to grant Awards which shall not qualify for the Performance-Based Exception, the Committee may make such grants without satisfying the requirements of Code Section 162(m).

ARTICLE 10.

Beneficiary Designation

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid, to exercise any Stock Option, or succeed to the ownership of any Restricted Stock Performance Units/Shares or other Award as provided in this Plan, in case of his or her death before he or she receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Committee during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

ARTICLE 11.

Recovery of Certain Awards

If any of the Company's financial statements are required to be restated as a result of misconduct or fraud, the Company at the direction of the Organization and Compensation Committee of the Supervisory Board (O&C Committee) in its sole discretion may recover all or any portion of any Award that was paid (or in the case of any stock Award, the value of which was realized by sale of the stock) based on the financial results that were negatively affected by such restatement. For this purpose, misconduct or fraud includes any circumstance where forfeiture of an Award is required by law, and any other circumstance where the O&C Committee determines in its sole discretion that a Participant (i) personally and knowingly engaged in practices that materially contributed to a material

noncompliance with any financial reporting requirement, or (ii) had knowledge of such material noncompliance or the circumstances giving rise to such noncompliance and failed to take reasonable steps to bring it to the attention of the appropriate individuals within the Company.

C-9

Table of Contents

ARTICLE 12.

Rights of Employees

12.1. *Employment.* Nothing in the Plan shall interfere with or limit in any way the right of CB&I to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of CB&I.

12.2. *Participation.* No Employee, Nonemployee Director or nonemployee consultant shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

ARTICLE 13.

Change in Control

13.1. *Treatment of Outstanding Awards.* Upon the occurrence of a Change in Control, unless otherwise specifically prohibited under applicable laws, or by the rules and regulations of any governing governmental agencies or national securities exchanges, or unless otherwise provided in an Award Agreement or other written agreement between a Participant and the Company (or CB&I or the Committee), then with respect to each Award outstanding on the date of the Change in Control:

(a) Any and all Options granted hereunder shall become immediately exercisable, and shall remain exercisable throughout their entire term;

(b) Any restriction periods and restrictions imposed on Restricted Shares shall lapse;

(c) The target payout opportunities attainable under all outstanding Awards of Restricted Stock, Performance Units and Performance Shares shall be deemed to have been fully earned for the entire Performance Period(s) as of the effective date of the Change in Control. The vesting of all Awards denominated in Shares shall be accelerated as of the effective date of the Change in Control, and there shall be paid out in cash to Participants within 30 days following the effective date of the Change in Control an amount based upon an assumed achievement of all relevant performance goals.

13.2. *Termination, Amendment, and Modifications of Change-in-Control Provisions.* Notwithstanding any other provision of this Plan or any provision of any Award Agreement, the provisions of this Article 13 may not be terminated, amended, or modified on or after the date of Change in Control to affect adversely any Award theretofore granted without the prior written consent of the Participant with respect to said Participant's outstanding Awards; provided, however, the Board, upon recommendation of the Committee, may terminate, amend, or modify this Article 13 at any time and from time to time prior to the date of a Change of Control.

ARTICLE 14.

Amendment, Modification, and Termination

14.1. *Amendment, Modification, and Termination.* The Board may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part.

14.2. *Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events.* The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.3 hereof) affecting CB&I or the

Company, or the financial statements of CB&I or the Company, or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

14.3. *Awards Previously Granted.* The Committee may amend or modify any outstanding Award Agreement in any manner consistent with this Plan for an original Award Agreement, provided, however, that no

C-10

Table of Contents

amendment or modification of an Award Agreement shall adversely affect in any material way the Award previously granted without the written consent of the Participant holding such Award. No termination, amendment or modification of the Plan shall adversely affect in any material way any Award previously granted without the written consent of the Participant holding such Award.

ARTICLE 15.

Withholding

15.1. *Tax Withholding.* CB&I shall have the power and the right to deduct or withhold, or require a Participant to remit to CB&I, an amount sufficient to satisfy Federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.

15.2. *Share Withholding.* With respect to withholding required upon the exercise of Options, upon the lapse of restrictions on Restricted Stock, or upon any other taxable event arising as a result of Awards granted hereunder, Participants may elect, subject to the approval of the Committee, to satisfy the withholding requirement, in whole or in part, by having CB&I withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction. All such elections shall be irrevocable, made in writing, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

ARTICLE 16.

Indemnification

Each person who is or shall have been a member of the Committee, or of the Board, shall be indemnified and held harmless by CB&I against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim action, suit, or proceeding to which he or she may be party or in which he or she may be involved by reasons of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with CB&I's approval, or paid by him or her in satisfaction of any judgment of any such action, suit, or proceeding against him or her, provided he or she shall give CB&I an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Association, CB&I's Certificate of Incorporation or Bylaws, any agreement, as a matter of law, or otherwise, or any power that CB&I may have to indemnify them or hold them harmless.

ARTICLE 17.

Successors

All obligations of CB&I under the Plan with respect to Awards granted hereunder shall be binding on any successor to CB&I, whether such successor arises as a result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of CB&I.

ARTICLE 18.

Legal Construction

18.1. *Gender and Number.* Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

C-11

Table of Contents

18.2. *Severability.* In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

18.3. *Requirements of Law.* The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

18.4. *Securities Law Compliance.* Transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 under the Exchange Act (or any successor rule). To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

18.5. *Governing Law.* To the extent not preempted by federal law, the Plan and all agreements hereunder, shall be construed in accordance with and governed by the laws of the state of Illinois, without regard to its provisions regarding conflict of laws.

Table of Contents

1. To elect the Supervisory Board recommended slate of nominees: i) Gary L. Neale, ii) Marsha C. Williams, iii) J. Charles Jennett, and iv) Larry D. McVay as members of the Supervisory Board to serve until the Annual General Meeting of Shareholders in 2011 and until their successors shall have been duly appointed;

First position:	01 Gary L. Neale OR 05 Luciano Reyes
Second position:	02 Marsha C. Williams OR 06 Travis L. Stricker
Third position:	03 J. Charles Jennett OR 07 Samuel C. Leventry
Fourth position:	04 Larry D. McVay OR 08 David P. Bordages

2. To authorize the preparation of the Annual Accounts of the Company and the Annual Report in the English language and to adopt the Dutch Statutory Annual Accounts of the Company for the year ended December 31, 2007;
3. To discharge the sole member of the Management Board from liability in respect of the exercise of its duties during the year ended December 31, 2007;
4. To discharge the members of the Supervisory Board from liability in respect of the exercise of their duties during the year ended December 31, 2007;
5. To approve the final dividend for the year ended December 31, 2007;
6. To approve the extension of the authority of the Management Board to repurchase up to 10% of the issued share capital of the Company until November 8, 2009;
7. To appoint Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2008;
8. To approve the amendment of the Articles of Association to permit record dates up to 30 days prior to the date of a shareholder meeting;
9. To approve the amendment of the 1999 Long-Term Incentive Plan;
10. To approve the extension of the authority of the Supervisory Board to issue and/or grant rights to acquire shares (including options to subscribe for shares) and to limit or exclude the preemptive rights of shareholders of the Company until May 8, 2013;
11. To approve the compensation of the Supervisory Board member who serves as the non-executive chairman.

6 DETACH PROXY CARD HERE 6

**Complete, Sign,
Date and
Promptly Return
this
Proxy Card
Using the
Enclosed
Envelope.**

x

**Votes must be
indicated (x) in
Black
or Blue ink.**

	For		Withheld		For	Against	Abstain		For	Against	Abstain
1 Vote FOR the election of the following nominees	<input type="radio"/>	Vote WITHHELD	<input type="radio"/>								
		for all nominees									

SCANLINE

Table of Contents

The Voting Instruction Card must be signed by the person in whose name the relevant shares are registered on the books of the Transfer Agent and Registrar. In the case of a Corporation or Partnership, the Voting Instruction Card must be executed by a duly authorized officer or attorney. When shares are held jointly, each holder should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Date

Share Owner sign here

Co-Owner sign here

**CHICAGO BRIDGE & IRON COMPANY N.V.
Voting Instruction Card**

(Must be presented at the meeting or received by mail prior to the close of business on May 1, 2008)

The undersigned registered holder of Shares of New York Registry (each representing one Common Share of EUR 0.01 nominal amount of Chicago Bridge & Iron Company N.V.), hereby appoints The Bank of New York, as New York Transfer Agent and Registrar, through its agent, as the proxy of the undersigned with full power of substitution to attend and address the Annual General Meeting of Shareholders of Chicago Bridge & Iron Company N.V. to be held in Amsterdam, The Netherlands on May 8, 2008 and in general, to exercise all rights the undersigned could exercise in respect of such Common Shares if personally present thereat in their discretion upon all matters which may properly come before such Meeting and every adjournment thereof, and instructs such proxy to endeavor, in so far as practicable, to vote or cause to be voted on a poll (if a poll shall be taken) the Common Shares of Chicago Bridge & Iron Company N.V. represented by shares of New York Registry registered in the name of the undersigned on the books of the New York Transfer Agent and Registrar as of the close of business on April 2, 2008, at such Meeting in respect of the resolutions specified on the reverse side thereof. This proxy is governed by Dutch law.

You can view the Annual Report and Proxy Statement for Chicago Bridge & Iron Company N.V. on the Internet at

<http://bnymellon.mobular.net/bnymellon/cbi>

Notes:

1. Please direct your proxy how it is to vote by placing an in the appropriate box opposite the resolutions specified on the reverse side thereof.
2. This proxy, when properly executed and timely received, will be voted in the manner directed herein. If no instructions are given on this Voting Instruction Card, then the shares will be voted FOR Messrs. Neale, Jennett and McVay and Ms. Williams, and FOR items 2-11.
3. **This Voting Instruction Card is solicited by the Supervisory Board of the Company.**

To include any comments, please mark this box.

CHICAGO BRIDGE & IRON COMPANY N.V.

P.O. BOX 11436

NEW YORK, N.Y. 10203-0436

Please complete, sign and date this proxy on the reverse side and return it promptly in the accompanying envelope.

NT SIZE=2>

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(8.1
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(15.1
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(10.0
)
48.8
43.7

Segment depreciation and amortization

30.0 27.7 33.0 27.1 28.4 21.1 18.2 25.5

Segment EBITDA(h)

\$53.7 \$(27.4) \$(44.3) \$19.0 \$13.3 \$11.1 \$67.0 \$69.2

(a) In 2008, segment loss included \$11.3 million of expenses related to closing our veneer operations in St. Helens, Oregon and our plywood manufacturing facility in White City,

Table of Contents

Oregon, partially offset by a \$5.7 million net gain related to the sale of our wholly owned subsidiary in Brazil that manufactured veneer.

- (b) In 2009, segment loss included \$8.9 million of expense related to the June 2009 closure of our lumber manufacturing facility in La Grande, Oregon, of which \$3.7 million reduced EBITDA and \$5.2 million was accelerated depreciation recorded in "Depreciation and amortization."
- (c) In 2010, segment income and EBITDA included \$0.5 million of income for cash received from a litigation settlement related to vendor product pricing.
- (d) In 2011, segment loss included \$2.6 million of expense related to the permanent closure of a laminated beam plant in Emmett, Idaho and noncash asset write-downs, of which \$2.2 million reduced EBITDA and \$0.4 million was accelerated depreciation recorded in "Depreciation and amortization."
- (e) In the nine months ended September 30, 2011, segment loss included \$2.2 million of expense related to the permanent closure of a laminated beam plant in Emmett, Idaho and noncash asset write-downs, of which \$1.8 million was included in EBITDA and \$0.4 million was accelerated depreciation recorded in "Depreciation and amortization."
- (f) Segment sales are calculated before intersegment eliminations.
- (g) Segment income (loss) excludes Corporate and Other segment expenses.
- (h) Segment EBITDA is calculated as segment income (loss) before depreciation and amortization, excluding Corporate and Other segment costs. EBITDA is the primary measure used by our chief operating decision maker to evaluate segment operating performance and to decide how to allocate resources to segments. See "Selected Historical Consolidated Financial Data" for a description of our reasons for using EBITDA, for a discussion of the limitations of such a measure and for a reconciliation of our consolidated EBITDA to net income (loss). Segment EBITDA excludes Corporate and Other segment expenses.

Facilities

Our Wood Products segment currently operates four EWP facilities and seven plywood and veneer plants, five of which manufacture inputs used in our EWP facilities. Our EWP facilities have a high degree of raw material and manufacturing integration with our plywood and veneer facilities. We also operate five sawmills, including the Arden, Washington facility purchased in February 2012 and one particleboard plant. During 2011, we closed our laminated beam manufacturing plant in Emmett, Idaho and purchased a laminated beam and decking manufacturing plant in Homedale, Idaho, that provides us a broader product mix and a larger, more efficient operation.

Raw Materials and Input Costs

Wood fiber. The primary raw material in our Wood Products segment is wood fiber. For the year ended December 31, 2011, wood fiber accounted for 38% of materials, labor and other operating expenses, including from related parties, in our Wood Products segment. Our plywood and veneer facilities use Douglas fir, white woods and pine logs as raw materials. We use ponderosa pine, spruce and white fir logs to manufacture various grades of lumber. Our EWP facilities in Louisiana and Oregon use veneers and parallel-laminated veneer panels produced by our facilities and purchased from third parties, together with OSB purchased from third parties, to manufacture LVL and I-joists. Our manufacturing facilities are located in close proximity to active wood markets. We have long-term market-based contracts for a significant portion of our fiber needs.

We satisfy our timber requirements through a combination of purchases under supply agreements, open market purchases and purchases pursuant to contracts awarded under public timber

Table of Contents

auctions. In February 2005, our affiliate sold its timberland operations to Forest Capital Partners, LLC ("Forest Capital"), an unaffiliated third party. In connection with this sale, we entered into a series of fiber supply agreements with Forest Capital. These fiber supply agreements required Forest Capital to sell a specified amount of timber to us at prices generally related to market prices. In 2012, Forest Capital sold the timberlands to a group of purchasers, whose investments in the timberlands are managed by Hancock Natural Resource Group, Inc. ("Hancock") and to a group of purchasers whose investments in the timberlands are managed by The Molpus Woodlands Group LLC ("Molpus"). The purchasers of the timberlands (other than Molpus) assumed Forest Capital's obligations under the 2005 wood supply agreements and the Molpus entities entered into a new master harvest rights agreement on substantially the same terms. In 2011, approximately 43% of our timber was supplied pursuant to these agreements.

We also bid in auctions conducted by federal, state and local authorities for the purchase of timber, generally at fixed prices, under contracts with a term of generally one to three years. In 2011, approximately 22% of our timber was supplied under government contracts. The remainder of our log supply in 2011 was supplied through private purchases directly from timber owners or through dealers.

Under most of our log and fiber supply agreements, we have the right to cancel or reduce our commitments in the event of a mill curtailment or shutdown. Future purchase prices under most of these agreements will be set quarterly or semiannually based on regional market prices. Our log and fiber 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, log and fiber availability and the status of environmental appeals. For a discussion of contractual commitments relating to fiber supply agreements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Contractual Obligations."

The cost of timber is strongly correlated with product prices for building materials, with the increase in product prices driving increases in timber costs. Because wood fiber is a commodity, prices have been cyclical historically in response to changes in domestic and foreign demand and supply. Demand for dimension lumber has a strong influence on pricing, as the dimension lumber industry is the largest consumer of timber.

Foreign demand for log exports, particularly from China, increased log costs in the western U.S. in 2010 and 2011 and negatively affected wood products manufacturers in the region. Sustained periods of high log costs may impair the cost competitiveness of our manufacturing facilities. Availability of residual wood fiber for our particleboard operation has been negatively affected by significant mill closures and curtailments that have occurred among solid-wood product producers.

Our aggregate cost of obtaining timber is also impacted by fuel costs and the distance of the fiber source from our facilities, as we are often required to transport the timber we purchase from the source to our facilities.

Other raw materials and energy costs. We use a significant quantity of various resins and glues in our manufacturing processes. Resin and glue product costs are influenced by changes in the prices of raw material input costs, primarily fossil fuel products. We purchase resins and glues, other raw materials and energy used to manufacture our products in both the open market and through supply contracts. The contracts are generally with regional suppliers who agree to supply all of our needs for a certain raw material or energy at one of our facilities. These contracts have terms of various lengths and typically contain price adjustment mechanisms that take into account changes in market prices. Therefore, although our long-term contracts provide us with supplies of raw materials and energy that are more stable than open-market purchases, in many cases, they may not alleviate fluctuations in market prices.

Table of Contents*Sales, Marketing and Distribution*

Our EWP sales force is managed centrally through a main office that oversees regional sales teams. Sales of plywood, lumber and particleboard are managed centrally by product. Our sales force spends a significant amount of time working with end customers who purchase our EWP. Our sales force provides a variety of technical support services, including integrated design, engineering, product specification software, distributor inventory management software and job-pack preparation systems. The majority of our wood products are sold to distributors, including our Building Materials Distribution segment and other distributors.

The following table lists sales volumes for our principal wood products for the periods indicated:

	Year Ended December 31				
	2007	2008	2009	2010	2011
	(in millions)				
Laminated veneer lumber (LVL) (cubic feet)	10.6	7.6	5.6	6.6	7.1
I-joists (equivalent lineal feet)	188	117	87	106	110
Plywood (sq. ft.) (³ / ₈ " basis)	1,223	1,228	992	1,088	1,106
Lumber (board feet)	231	191	146	149	153

Building Materials Distribution*Products*

We sell a broad line of building materials, including EWP, OSB, plywood, lumber and general line items such as framing accessories, composite decking, roofing, siding and insulation. Our products are used in the construction of new residential housing, including single-family, multi-family and manufactured homes, the repair and remodeling of existing housing and the construction of light industrial and commercial buildings.

The following table sets forth segment sales; segment income (loss); depreciation and amortization; and EBITDA for the periods indicated:

	Year Ended December 31					Nine Months Ended September 30		Twelve Months Ended September 30, 2012
	2007	2008	2009	2010(a)	2011(a)	2011(b)	2012	
	(in millions)							
Segment sales(c)	\$ 2,564.0	\$ 2,109.4	\$ 1,609.8	\$ 1,778.0	\$ 1,779.4	\$ 1,349.9	\$ 1,637.2	\$ 2,066.6
Segment income (loss)(d)	51.8	19.5	8.0	11.6	2.0	2.8	18.2	17.4
Segment depreciation and amortization	7.4	7.7	7.6	7.5	8.4	6.2	6.6	8.8
Segment EBITDA(e)	\$ 59.2	\$ 27.2	\$ 15.5	\$ 19.1	\$ 10.4	\$ 9.0	\$ 24.8	\$ 26.2

(a) In 2011, segment income and EBITDA included \$1.2 million of noncash asset write-downs. In 2010, segment income and EBITDA included \$4.1 million of income for cash received from a litigation settlement related to vendor product pricing.

(b) In the nine months ended September 30, 2011, segment income and EBITDA included \$0.8 million of noncash asset write-downs.

(c) Segment sales are calculated before intersegment eliminations.

(d)

Segment income (loss) excludes Corporate and Other segment expenses.

Table of Contents

- (e) Segment EBITDA is calculated as segment income (loss) before depreciation and amortization. EBITDA is the primary measure used by our chief operating decision maker to evaluate segment operating performance and to decide how to allocate resources to segments. See "Selected Historical Consolidated Financial Data" for a description of our reasons for using EBITDA, for a discussion of the limitations of such a measure and for a reconciliation of our consolidated EBITDA to net income (loss). Segment EBITDA excludes Corporate and Other segment expenses.

Facilities

Our Building Materials Distribution segment operates a nationwide network of 31 strategically-located building materials distribution facilities throughout the United States. We also operate a single truss manufacturing plant. Our broad geographic presence reduces our exposure to market factors in any single region. During 2011, we completed facility expansions of our operations in Delanco, New Jersey and Detroit, Michigan. In early 2012, we also completed facility expansions in Dallas, Texas and Greenland, New Hampshire.

Sales, Marketing and Distribution

We purchase our building materials from our own manufacturing operations as well as a vendor base of more than 1,000 third-party suppliers ranging from large manufacturers, such as James Hardie Building Products, Trex Company, Louisiana-Pacific and Georgia-Pacific, to small regional producers. We market our building materials primarily to retail lumberyards and home improvement centers that then sell the products to end customers, who are typically professional builders, independent contractors and homeowners engaged in residential construction projects. We also market our products to industrial converters. We believe that our national presence and long-standing relationships with many of our key suppliers allow us to obtain favorable price and term arrangements and offer excellent customer service on top brands in the building materials industry. We also have expertise in special-order sourcing and merchandising support, which is a key service for our home improvement center customers that choose not to stock certain items in inventory.

Each of our distribution centers implements its own distribution and logistics model using centralized information systems. We use internal and external trucking resources to deliver materials on a regularly scheduled basis. Our highly efficient logistics system allows us to deliver superior customer service and assist our customers in optimizing their working capital, which we believe has led to increased market share during the housing downturn.

We have a large decentralized sales force to support our suppliers and customers. Our sales force and product managers have local product knowledge and decision-making authority, which we believe enables them to optimize stocking, pricing and product assortment decisions. Our sales force has access to centralized IT systems, an extensive vendor base and corporate-level working capital support, which we believe complements our localized sales model. Our sales force is compensated, in part, based on branch-level performance.

We regularly evaluate opportunities to introduce new products. Broadening our product offering helps us serve as a one-stop resource for building materials, which we believe improves our customers' purchasing and operating efficiencies. The introduction of new products is primarily driven by customer demand or product extensions originating from our vendors. We believe our long-standing customer relationships allow us to respond to customer feedback and introduce new products more rapidly. Broadening our product offering also helps us drive additional products through our distribution system, thereby increasing our scale and efficiency.

Corporate and Other

Our Corporate and Other segment includes corporate support staff services, related assets and liabilities and foreign exchange gains and losses. These support services include, but are not limited to,

Table of Contents

finance, accounting, legal, information technology and human resource functions. Since the sale of our Paper and Packaging & Newsprint assets in 2008, we have purchased many of these services from Boise Inc. under an Outsourcing Services Agreement, under which Boise Inc. provides a number of corporate staff services to us at cost. See Note 3, "Outsourcing Services Agreement" to our audited consolidated financial statements included elsewhere in this prospectus for more information. Prior to the sale of our Paper and Packaging & Newsprint assets, this segment also included certain rail and truck transportation businesses and related assets.

Customers

We maintain relationships with a broad customer base across multiple market segments and various end markets. Sales to one customer, Home Depot, accounted for 11% of sales for the LTM period. Sales to Home Depot were recorded in our Building Materials Distribution and Wood Products segments. No other single third-party customer accounted for 10% or more of total sales for the LTM period.

Wood Products. Our Building Materials Distribution segment is our Wood Products segment's largest customer, representing approximately 37% of our Wood Products segment's overall sales, including approximately 71% of its EWP sales, for the LTM period. Our third-party customers in this segment include wholesalers, home improvement centers and industrial converters in both domestic and export markets.

Building Materials Distribution. A majority of our sales in this segment were to retail lumberyards and home improvement centers that then sell products to end customers, who are typically professional builders, independent contractors and homeowners engaged in residential construction projects. We also market our products to industrial converters. We believe our broad product line provides our customers with an efficient, one-stop resource for their building materials needs.

Competition

The competitive environment in the U.S. continues to be challenging as new residential and light commercial construction activity and repair and remodel spending remain substantially below average historical levels. Industry capacity in a number of product markets, including those in which we compete, far exceeds the current level of demand. Our products and services compete with similar products manufactured and distributed by others. Many factors influence our competitive position in the markets in which we operate. Those factors include price, service, quality, product selection and convenience of location.

Some of our competitors are larger than we are and have greater financial resources. These resources may afford those competitors greater purchasing power, increased financial flexibility and more capital resources for expansion and improvement.

Wood Products. The wood products manufacturing markets in which we operate are large and highly competitive. There are several major producers of most of our products, including EWP and plywood, as well as numerous local and regional manufacturers. We have leading market positions in the manufacture of EWP, plywood and ponderosa pine lumber. We hold much smaller market positions in our other manufactured products. In the wood products manufacturing markets, we compete primarily on the basis of price, quality and, particularly with respect to EWP, levels of customer service. Most of our competitors are located in the United States and Canada, although we also compete with manufacturers in other countries. Our competition includes not only manufacturers and distributors of similar building products but also manufacturers and distributors of products made from alternative materials, such as steel and plastic. Some of our competitors enjoy strong reputations for product quality and customer service and these competitors may have strong relationships with certain

Table of Contents

distributors, making it more difficult for our products to gain additional market share. Some of our competitors in this segment are also vertically-integrated and/or have access to internal sources of wood fiber, which may allow them to subsidize their base manufacturing business in periods of rising fiber prices.

Building Materials Distribution. The building materials distribution markets in which we operate are highly fragmented and we compete in each of our geographic and product markets with national, regional and local distributors. We also compete with wholesale brokers and buying cooperatives. We compete on the basis of delivered cost, product selection and availability, quality of service and compatibility with customers' needs. We also distribute products for some manufacturers that also engage in direct sales. In recent years, there has been consolidation among retail lumberyards and home improvement centers. As the customer base consolidates, this dynamic could impact our ability to maintain margins. Proximity to customers is an important factor in minimizing shipping costs and facilitating quick order turnaround and on-time delivery. We believe our ability to obtain quality materials, from both internal and external sources, the scale and efficiency of our national footprint and our focus on customer service are our primary competitive advantages in this segment. Also, financial stability is important to suppliers and customers in choosing distributors and allows for more favorable terms on which we are able to obtain our products from our suppliers and sell our products to our customers.

Environmental

We are subject to a wide range of general and industry-specific environmental laws and regulations. In particular, we are affected by laws and regulations covering air emissions, wastewater discharges, solid and hazardous waste management and site remediation. Compliance with these laws and regulations is a significant factor in the operation of our businesses. We believe that we have created a corporate culture of strong compliance by taking a conservative approach to environmental issues in order to assure that we are operating well within the bounds of regulatory requirements. However, we cannot assure that we will be in full compliance with environmental requirements at all times and we cannot assure that we will not incur fines and penalties in the future. In 2011, we paid an insignificant amount of environmental fines and penalties across all of our segments.

We incur 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. During 2011, we spent approximately \$2.4 million on capital expenditures to comply with environmental requirements. We expect to spend a similar amount in 2012 for this purpose.

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 whether or not 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.

In connection with the completion of our acquisition of the forest products and paper assets of OfficeMax (the "Forest Products Acquisition"), OfficeMax generally indemnifies us for hazardous substance releases and other environmental violations that occurred prior to the Forest Products Acquisition. However, OfficeMax may not have sufficient funds to fully satisfy its indemnification obligations when required and in some cases, we may not be contractually entitled to indemnification by OfficeMax. See "Certain Relationships and Related Party Transactions Office Max and the Forest Products Acquisition."

Table of Contents

In connection with the sale of our Paper and Packaging & Newsprint assets in 2008, Boise Inc. and its affiliates assumed any and all environmental liabilities arising from our ownership or operation of the assets and businesses sold to them and we believe we are entitled to indemnification by them from third-party claims in the event they fail to fully discharge any such liabilities on the basis of common law rules of indemnification. However, Boise Inc. may not have sufficient funds to discharge its obligations when required or to indemnify us from third-party claims arising out of any such failure.

Climate Change Matters

Various legislative and regulatory proposals to restrict emissions of greenhouse gasses ("GHG"), such as CO₂, are under consideration in Congress, state legislative bodies and the U.S. Environmental Protection Agency ("EPA"). In particular, the EPA has promulgated its Tailoring Rule which directs states having authority to implement the Clean Air Act (which includes all states in which we have significant manufacturing operations) to treat GHG as regulated pollutants under their state implementation plans. The EPA's final rule and its November 2010 implementation guidance do not set specific standards to be utilized in air discharge permits and permits to construct significant new facilities. Generation of this detail has been left to the states. The key states in which our facilities are located (Louisiana, Oregon and Washington) are currently working through the process of incorporating GHG regulations into their state implementation plans. Most of our manufacturing facilities operate boilers or other process equipment that emits GHG. Such regulatory initiatives may require us to modify operating procedures or production levels, incur capital expenditures, change fuel sources, or take other actions that may adversely affect our financial results. However, given the high degree of uncertainty about the ultimate parameters of any such regulatory initiative, it is premature to make any prediction concerning such impacts.

A significant portion of our GHG emissions are from biomass-fired boilers and in July 2011, the EPA issued a final rule that defers, for three years, the applicability of federal New Source Review ("NSR") regulations to biogenic CO₂ emissions. During the three-year deferral period, the EPA will evaluate whether or not to permanently exempt biogenic CO₂ from NSR regulations. States are not required by this regulation to defer biogenic CO₂ emissions from their NSR programs, but so far, states in which we operate have not indicated they will not follow the EPA's deferral. This action leaves considerable uncertainty as to the future regulatory treatment of biomass-generated GHG and the treatment of such GHG in the states in which we operate.

In addition, various government entities have adopted or are considering energy sourcing regulations which subsidize, or mandate consumption of specified percentages of, electrical power generated from nontraditional generating sources, including biomass fuels. These programs may increase our purchased electrical energy costs, create significant new competition for our fiber sources and provide opportunities for alternative uses of our residual fiber, such as sawdust, chips and shavings.

From time to time, legislative bodies and environmental regulatory agencies may promulgate new regulatory programs imposing significant incremental operating costs or capital costs on us. The EPA has recently promulgated a series of four regulations commonly referred to collectively as Boiler MACT, which are intended to regulate the emission of hazardous air pollutants from industrial boilers. At the time it announced the final promulgation of the regulations, the EPA also announced that it planned to reconsider portions of the regulations and has recently taken steps to initiate such reconsideration. In December 2011, the EPA published their re-proposed rules and we are currently evaluating the potential impact of the re-proposed rules on our business. If the Boiler MACT rules are finalized as re-proposed, we believe the new rules would be less costly for us to implement than the current rules. The EPA intends to finalize the new Boiler MACT rules in the second half of 2012. Once final, considerable uncertainty will still exist, as there will likely be legal challenges to the final rules from industry and/or environmental organizations. Notwithstanding that uncertainty, we are proceeding with efforts to analyze the applicability and requirements of the regulations, as recently re-proposed

Table of Contents

and the likely capital and operating costs required to comply. At this time, we cannot accurately forecast the capital or operating cost changes that may result from compliance with the regulations.

Capital Investment

Information concerning our capital expenditures is presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Investment Activities" located elsewhere in this prospectus.

Seasonal and Inflationary Influences

We are exposed to fluctuations in quarterly sales volumes and expenses due to seasonal factors. These seasonal factors are common in the building products industry. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Seasonal and Inflationary Influences."

Properties

Our properties are well-maintained and are suitable for the operations for which they are used. The following is a list of our facilities by segment as of November 1, 2012. We lease office space for our corporate headquarters in Boise, Idaho.

Wood Products

We own all of our Wood Products manufacturing facilities. The following table summarizes our Wood Products facilities as of November 1, 2012:

Facility Type	Number of Facilities	Locations
LVL/I-joist/Laminated beam plants	4	Louisiana, Oregon, Idaho and Canada
Plywood and veneer plants	7	Louisiana(2), Oregon(4) and Washington
Sawmills	5	Oregon(3) and Washington(2)
Particleboard plant	1	Oregon

Table of Contents*Building Materials Distribution*

The following table summarizes our 32 Building Materials Distribution facilities as of November 1, 2012:

Location	Owned or Leased	Approximate Warehouse Square Footage
Phoenix, Arizona	Owned	33,000
Lathrop, California	Leased	164,000
Riverside, California	Leased	162,000
Denver, Colorado	Owned/Leased	203,000
Grand Junction, Colorado	Owned/Leased	97,000
Milton, Florida	Leased	87,000
Orlando, Florida	Owned	144,000
Pompano Beach, Florida	Leased	68,000
Atlanta, Georgia	Leased	155,000
Boise, Idaho	Owned/Leased	108,000
Idaho Falls, Idaho	Owned/Leased	69,000
Chicago, Illinois	Leased	76,000
Biddeford/Saco, Maine(a)	Leased	44,000
Baltimore, Maryland	Leased	205,000
Westfield, Massachusetts	Leased	134,000
Detroit, Michigan	Leased	108,000
Minneapolis, Minnesota	Leased	120,000
Billings, Montana	Owned	81,000
Greenland, New Hampshire	Owned/Leased	135,000
Delanco, New Jersey	Owned/Leased	345,000
Albuquerque, New Mexico	Leased	78,000
Greensboro, North Carolina	Owned/Leased	88,000
Marion, Ohio	Leased	80,000
Tulsa, Oklahoma	Owned	129,000
Memphis, Tennessee	Owned	78,000
Dallas, Texas	Owned/Leased	233,000
Houston, Texas	Leased	150,000
Salt Lake City, Utah	Leased	126,000
Spokane, Washington	Owned/Leased	58,000
Vancouver, Washington	Leased	86,000
Woodinville, Washington	Owned/Leased	110,000
Yakima, Washington	Owned/Leased	44,000

(a) Truss manufacturing plant.

Employees

As of September 30, 2012, we had approximately 4,470 employees. Approximately 30% of these employees work pursuant to collective bargaining agreements. As of September 30, 2012, we had ten collective bargaining agreements. On August 22, 2012, we reached agreement on a four year contract covering four Wood Products manufacturing facilities and one Building Materials Distribution location in the Pacific Northwest. The new agreement covering 623 current employees expires on May 31, 2016. We do not have any other union negotiations scheduled for 2012. One agreement, covering 359 employees at our facility in Florien, Louisiana and 262 employees at our facility in Oakdale, Louisiana, is set to expire on July 15, 2013. If we are not able to extend or renew such agreement upon its

Table of Contents

expiration, we could experience a material labor disruption or significantly increased labor costs, which could prevent us from meeting customer demand or reduce our sales and profitability.

Trademarks

We maintain many trademarks for our manufactured wood products, particularly EWP. Our key registered trademarks include BOISE CASCADE® and the TREE-IN-A-CIRCLE® logo, which we believe to be of significant importance to our business.

Legal Matters

We are a party to routine legal proceedings that arise in the ordinary course of our business. We are not currently a party to any legal proceedings or environmental claims that we believe would, individually or in the aggregate, have a material adverse effect on our financial position, results of operations, or cash flows.

Table of Contents**MANAGEMENT****Executive Officers, Key Management and Directors**

Since our formation in October 2004, our business has been managed under the direction of the board of managers of BC Holdings. Prior to the consummation of this offering, the following persons will be appointed to serve in the same capacity with us. Below is a list of names, ages and a brief account of the business experience of our executive officers and key members of management and of the persons to be appointed to serve as our directors prior to the consummation of this offering, each as of November 15, 2012.

Name	Age	Position
Executive Officers:		
Thomas E. Carlile	61	Chief Executive Officer and Director
Wayne M. Rancourt	49	Senior Vice President, Chief Financial Officer and Treasurer
Stanley R. Bell	66	President, Building Materials Distribution
Thomas A. Lovlien	57	President, Wood Products Manufacturing
John T. Sahlberg	59	Senior Vice President, Human Resources and General Counsel
Kelly E. Hibbs	46	Vice President and Controller
Key Management:		
Thomas K. Corrick	57	Senior Vice President, Wood Products Manufacturing
Nick Stokes	55	Senior Vice President, Building Materials Distribution
Dennis R. Huston	60	Vice President of Sales and Marketing, Engineered Wood Products
Daniel G. Hutchinson	60	Vice President of Operations, Wood Products Manufacturing
Directors:		
Duane C. McDougall	60	Director and Chairman of the Board
John W. Madigan	75	Director
Christopher J. McGowan	41	Director
Samuel M. Menco	56	Director
Matthew W. Norton	34	Director
Thomas S. Souleles	44	Director

Thomas E. Carlile, Chief Executive Officer and Director

Mr. Carlile became our chief executive officer and a director in August 2009. Mr. Carlile previously served as our executive vice president and chief financial officer from February 2008 to August 2009, following the divestiture of our paper and packaging businesses. From October 2004 to January 2008, he served as senior vice president and chief financial officer. Mr. Carlile received a bachelor's degree in accounting from Boise State University and completed the Stanford Executive Program. Mr. Carlile is a member of the board of directors of FPH. Mr. Carlile's position as our chief executive officer allows him to advise the board of directors on management's perspective over a full range of issues affecting the Company.

Wayne M. Rancourt, Senior Vice President, Chief Financial Officer and Treasurer

Mr. Rancourt became our senior vice president and chief financial officer in August 2009. Mr. Rancourt previously served as our vice president, treasurer and investor relations from February 2008 to August 2009, following the divestiture of our paper and packaging businesses. From October 2004 to January 2008, he served as vice president and treasurer. Mr. Rancourt received a B.S. degree in accounting from Central Washington University.

Table of Contents

Stanley R. Bell, President, Building Materials Distribution

Mr. Bell became our president, Building Materials Distribution, in February 2008, following the divestiture of our paper and packaging businesses. From October 2004 to January 2008, he served as senior vice president, Building Materials Distribution. Mr. Bell received a B.A. in economics from the University of Utah and an M.B.A. from the University of Utah.

Thomas A. Lovlien, President, Wood Products Manufacturing

Mr. Lovlien became our president, Wood Products Manufacturing, in February 2008, following the divestiture of our paper and packaging businesses. From October 2004 to January 2008, he served as senior vice president, Wood Products. Mr. Lovlien received a bachelor's degree in accounting and a master's degree in wood technology from Oregon State University.

John T. Sahlberg, Senior Vice President, Human Resources and General Counsel

Mr. Sahlberg became our senior vice president, Human Resources and General Counsel, effective August 2012. Prior to his election as senior vice president, Human Resources and General Counsel, Mr. Sahlberg served as vice president, Human Resources and General Counsel since January 2011. Prior to that, he served as vice president, Human Resources from February 2008 to January 2011. Prior to that, he served as director of Human Resources from February 2006 to February 2008. From October 2004 through January 2006, he was the director of labor relations. Mr. Sahlberg received a bachelor's degree in economics from Harvard College and a J.D. from Georgetown University. He is a member of the Idaho State Bar.

Kelly E. Hibbs, Vice President and Controller

Mr. Hibbs became our vice president and controller in February 2011. Mr. Hibbs previously served as our director of strategic planning and internal audit from February 2008 to February 2011. From October 2004 to February 2008, he served as manager of financial forecasts and projects. Mr. Hibbs received a B.A. in accounting from Boise State University. He is a certified public accountant.

Thomas K. Corrick, Senior Vice President, Wood Products Manufacturing

Mr. Corrick became our senior vice president, Wood Products Manufacturing, effective July 2012. Prior to his election as senior vice president, Wood Products Manufacturing, Mr. Corrick served as senior vice president, Engineered Wood Products since February 2011. Prior to that, Mr. Corrick served as vice president, Engineered Wood Products, from January 2005 to February 2011. From October 2004 to January 2005, he served as the general manager of Engineered Wood Products. Mr. Corrick received both his bachelor's and master's degrees in business administration from Texas Christian University.

Nick Stokes, Senior Vice President, Building Materials Distribution

Mr. Stokes became our senior vice president, Building Materials Distribution, in February 2011. Mr. Stokes previously served as vice president, Building Materials Distribution, from October 2004 to February 2011. Mr. Stokes received a B.S. in management and a B.S. in marketing from the University of Utah.

Dennis R. Huston, Vice President of Sales and Marketing, Engineered Wood Products

Mr. Huston became our vice president of sales and marketing, Engineered Wood Products, in August 2012. Mr. Huston previously served as sales manager of our Engineered Wood Products from

Table of Contents

1994 until August 2012. Mr. Huston received a bachelor's degree in political science from the University of Dubuque.

Daniel G. Hutchinson, Vice President of Operations, Wood Products Manufacturing

Mr. Hutchinson became our vice president of operations for Wood Products Manufacturing in August 2012. He previously served as general manager of operations for our Engineered Wood Products business from 2008 to August 2012. From 2007 to 2008, he served as our Engineered Wood Products national accounts manager. Mr. Hutchinson received an M.B.A. from Washington State University and bachelor's degrees in accounting and finance from the University of Idaho.

Duane C. McDougall, Chairman of the Board and Director

Mr. McDougall has served as our board chairman since December 2008 and has been a director of the company since 2005. Mr. McDougall also served as our chief executive officer from December 2008 to August 2009. Prior to joining our company, Mr. McDougall was president and chief executive officer of Willamette Industries, an international paper and forest products company, until its sale in 2002. During his 23-year career with Willamette, Mr. McDougall held numerous operating and finance positions before becoming president and chief executive officer of Willamette. Mr. McDougall received a B.S. in accounting from Oregon State University. Mr. McDougall is also a member of the boards of directors of Cascade Corporation, FPH, The Greenbrier Companies and StanCorp Financial Group, Inc. Mr. McDougall was a member of the boards of directors of InFocus Corporation and West Coast Bancorp; he no longer serves on these boards. Mr. McDougall's experience as the CEO of a major forest products company provides our board of directors with valuable insight on operational and industry issues.

John W. Madigan, Director

Mr. Madigan has served as one of our directors since January 2005. In December 2003, Mr. Madigan retired from Tribune Company, where he had served as chairman and chief executive officer since 1996. Tribune Company operates businesses in publishing, interactive media and broadcasting. Mr. Madigan currently serves as an advisor to Madison Dearborn. Mr. Madigan's experience in directing the operations of a major corporation provides our board of directors with perspective on operating issues. Mr. Madigan holds bachelor's and master's degrees in business administration from the University of Michigan. Mr. Madigan is a member of the board of directors of Gilead Sciences, Inc. Mr. Madigan was a member of the boards of directors of Morgan Stanley and AT&T Wireless; he no longer serves on these boards.

Christopher J. McGowan, Director

Mr. McGowan has served as one of our directors since October 2004. In September 2011, he became a general partner of CJM Ventures, L.L.C. and OPTO Holdings, L.P. and in July 2012 became a controlling member of Content Support Company, LLC. In the spring of 2012, Mr. McGowan served as a faculty advisor to The University of Chicago Booth School of Business and currently serves as Entrepreneur in Residence and Senior Advisor there. From 1999 until 2011, he was employed by Madison Dearborn and served as a managing director concentrating on investments in the basic industries sector. Prior to joining Madison Dearborn, Mr. McGowan was with AEA Investors, Inc. and Morgan Stanley & Co. Incorporated. Mr. McGowan received a B.A. from Columbia University and an M.B.A. from the Harvard Graduate School of Business Administration. Mr. McGowan currently serves on the boards of directors of OPTO International, Inc., FPH and Smurfit Kappa Group Ltd. (formerly known as Jefferson Smurfit Group). Mr. McGowan also serves on the board of directors of the University of Chicago Laboratory Schools. He is also a member of Hyde Park Angels and serves on their Portfolio Advisory Board as well as Chairman of the Limited Partner Advisory Committee for

Table of Contents

Hyde Park Venture Partners. Mr. McGowan was a member of the boards of directors of BWAY Holding Company in 2010-2011, the Illinois Venture Capital Association in 2009-2011 and First Wind Partners in 2009; he no longer serves on these boards. Mr. McGowan provides strong finance skills to our board of directors.

Samuel M. Mencoff, Director

Samuel M. Mencoff has served as one of our directors since October 2004. Mr. Mencoff has been employed by Madison Dearborn since 1992 and currently serves as co-CEO. Prior to co-founding Madison Dearborn, Mr. Mencoff was employed by First Chicago Venture Capital for 11 years. Mr. Mencoff has approximately 30 years of experience in private equity investing with a particular focus on investments in the basic industries sector. Mr. Mencoff received an A.B. from Brown University and an M.B.A. from the Harvard Graduate School of Business Administration. Mr. Mencoff is a former member of the board of directors of Great Lakes Dredge & Dock Corporation and he has served on the boards of directors of numerous other public and private companies. He is currently a member of the boards of directors of FPH, Packaging Corporation of America and Smurfit Kappa Group, Ltd. (formerly known as Jefferson Smurfit Group). Mr. Mencoff is also a member of the board of directors of World Business Chicago, a not-for-profit economic development organization based in Chicago, Illinois. Mr. Mencoff provides strong finance skills to our board of directors and valuable experience gained from previous board service.

Matthew W. Norton, Director

Mr. Norton has served as one of our directors since December 2008. Mr. Norton has been employed by Madison Dearborn since 2008 and currently serves as a director. From August 2006 to May 2008, Mr. Norton attended The Wharton School of the University of Pennsylvania. From 2004 to August 2006, he was employed by Madison Dearborn as an associate. From 2001 to 2004, he was employed by Merrill Lynch. Mr. Norton received a B.S. and an M.B.A. from The Wharton School of the University of Pennsylvania. Mr. Norton was also a member of the board of directors of Boise Inc. until January 2010 and he is a current member of the boards of directors of FPH, CoVant Technologies II, LLC and Fieldglass, Inc. Mr. Norton provides strong finance skills to our board of directors.

Thomas S. Souleles, Director

Mr. Souleles has served as one of our directors since October 2004. Mr. Souleles has been employed by Madison Dearborn since 1995 and currently serves as a managing director concentrating on investments in the basic industries sector. Prior to joining Madison Dearborn, Mr. Souleles was with Wasserstein Perella & Co., Inc. Mr. Souleles received an A.B. from Princeton University, a J.D. from Harvard Law School and an M.B.A. from the Harvard Graduate School of Business Administration. Mr. Souleles is also a member of the boards of directors of FPH, Packaging Corporation of America, Schrader International, Inc. and Children's Hospital of Chicago Medical Center and of the board of trustees of the National Multiple Sclerosis Society, Greater Illinois Chapter. Mr. Souleles was a member of the boards of directors of Boise Inc., Magellan GP, LLC, Magellan Midstream Holdings GP, LLC, Great Lakes Dredge & Dock Corporation, US Power Generating Company and BWAY Holding Company; he no longer serves on these boards. Mr. Souleles provides strong finance skills to our board of directors.

We intend to add at least one additional director to our board of directors following this offering.

Controlled Company

For purposes of the NYSE rules, we expect to be a "controlled company." Controlled companies under those rules are companies of which more than 50% of the voting power for the

Table of Contents

election of directors is held by an individual, a group or another company. We expect that BC Holdings, which is controlled by FPH, and ultimately, by a fund managed by Madison Dearborn, will continue to control more than 50% of the combined voting power of our common stock upon completion of this offering and will continue to have the right to designate a majority of the members of our board of directors for nomination for election and the voting power to elect such directors following this offering. Accordingly, we expect to be eligible to, and we intend to, take advantage of certain exemptions from corporate governance requirements provided in the NYSE rules. Specifically, as a controlled company, we would not be required to have (i) a majority of independent directors, (ii) a Nominating/Corporate Governance Committee composed entirely of independent directors, (iii) a Compensation Committee composed entirely of independent directors or (iv) an annual performance evaluation of the Nominating/Corporate Governance and Compensation Committees. Therefore, following this offering if we are able to rely on the "controlled company" exemption, we will not have a majority of independent directors, our Nominating and Corporate Governance and Compensation Committees will not consist entirely of independent directors and such committees will not be subject to annual performance evaluations; accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the applicable NYSE rules.

The controlled company exemption does not modify the independence requirements for the audit committee, and we intend to comply with the requirements of the Sarbanes-Oxley Act and the NYSE rules, which require that our audit committee be composed of at least three members, one of whom will be independent upon the listing of our common stock on the NYSE, a majority of whom will be independent within 90 days of the date of this prospectus, and each of whom will be independent within one year of the date of this prospectus.

Board Composition

Our board of directors will initially consist of seven directors. The authorized number of directors may be changed by resolution of our board of directors. Vacancies on our board of directors can be filled by resolution of our board of directors. Upon the completion of this offering, our board of directors will be divided into three classes, each serving staggered, three-year terms:

Our Class I directors will be _____ and _____, and their terms will expire at the first annual meeting of stockholders following the date of this prospectus;

Our Class II directors will be _____ and _____, and their terms will expire at the second annual meeting of stockholders following the date of this prospectus; and

Our Class III directors will be _____, _____ and _____, and their terms will expire at the third annual meeting of stockholders following the date of this prospectus.

As a result, only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective terms.

In connection with this offering, we will enter into a Director Nomination Agreement with BC Holdings that provides BC Holdings the right to designate nominees for election to our board of directors for so long as BC Holdings owns 10% or more of the total number of shares of common stock outstanding. The number of nominees that BC Holdings is entitled to designate under this agreement will bear the same proportion to the total number of members of our board of directors as the number of shares of common stock beneficially owned by BC Holdings bears to the total number of shares of common stock outstanding, rounded up to the nearest whole number. In addition, BC Holdings shall be entitled to designate the replacement for any of its board designees whose board service terminates prior to the end of the director's term regardless of BC Holdings' beneficial ownership at such time. BC Holdings shall also have the right to have its designees participate on committees of our board of directors proportionate to its stock ownership, subject to compliance with

Table of Contents

applicable law and stock exchange rules. This agreement will terminate at such time as BC Holdings owns less than 10% of our outstanding common stock.

Committees of the Board of Directors

We expect that, immediately following this offering, the standing committees of our board of directors will consist of an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. Each of the committees will report to the board of directors as they deem appropriate and as the board may request. The expected composition, duties and responsibilities of these committees are set forth below.

Audit Committee

The Audit Committee will be responsible for, among other matters: (1) appointing, retaining and evaluating our independent registered public accounting firm and approving all services to be performed by them; (2) overseeing our independent registered public accounting firm's qualifications, independence and performance; (3) overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC; (4) reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements; (5) establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters; and (6) reviewing and approving related person transactions.

Immediately following this offering, our Audit Committee will consist of Messrs. Madigan, McGowan and Souleles. We believe that Messrs. Madigan and McGowan qualify as independent directors according to the rules and regulations of the SEC with respect to audit committee membership. We expect to add an additional independent directors to our audit committee within one year of the effective date of the registration statement in order to comply with applicable rules and regulations of our stock exchange. We also believe that Mr. McGowan qualifies as our "audit committee financial expert," as such term is defined in Item 401(h) of Regulation S-K. Our board of directors will adopt a written charter for the Audit Committee in connection with this offering, which will be available on our corporate website at www.bc.com upon the completion of this offering. The information on our website is not part of this prospectus.

Compensation Committee

The Compensation Committee will be responsible for, among other matters: (1) reviewing key employee compensation goals, policies, plans and programs; (2) reviewing and approving the compensation of our directors, chief executive officer and other executive officers; (3) reviewing and approving employment agreements and other similar arrangements between us and our executive officers; and (4) administering our stock plans and other incentive compensation plans.

Immediately following this offering, our Compensation Committee will consist of Messrs. , and . Our board of directors will adopt a written charter for the Compensation Committee in connection with this offering, which will be available on our corporate website at www.bc.com upon the completion of this offering. The information on our website is not part of this prospectus.

Corporate Governance and Nominating Committee

Our Corporate Governance and Nominating Committee will be responsible for, among other matters: (1) identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors; (2) overseeing the organization of our board of directors to discharge the board's duties and responsibilities properly and efficiently; (3) identifying best

Table of Contents

practices and recommending corporate governance principles; and (4) developing and recommending to our board of directors a set of corporate governance guidelines and principles applicable to us.

Immediately following this offering, our Corporate Governance and Nominating Committee will consist of Messrs. _____ and _____. Our board of directors will adopt a written charter for the Corporate Governance and Nominating Committee in connection with this offering, which will be available on our corporate website at www.bc.com upon the completion of this offering. The information on our website is not part of this prospectus.

Compensation Committee Interlocks and Insider Participation

During 2011, no officer or employee served as a member of BC Holdings' Compensation Committee, except for Mr. McDougall, who is employed by the company to act as the chairman of its board of directors. See "Executive Compensation Director Compensation" for a description of Mr. McDougall's employment agreement. None of our executive officers serve as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on BC Holdings' board of managers or Compensation Committee. Although Mr. Carlile serves as an executive officer and director of FPH, FPH does not compensate its executive officers for serving in such capacity.

Other Committees

Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Risk Oversight

Our board of directors will oversee the risk management activities designed and implemented by our management. The board of directors will execute its oversight responsibility for risk management both directly and through its committees. The full board of directors will also consider specific risk topics, including risks associated with our strategic plan, business operations and capital structure. In addition, the board of directors will receive detailed regular reports from members of our senior management and other personnel that include assessments and potential mitigation of the risks and exposures involved with their respective areas of responsibility.

Our board of directors will delegate to the audit committee oversight of our risk management process. Our other board committees will also consider and address risk as they perform their respective committee responsibilities. All committees will report to the full board of directors as appropriate, including when a matter rises to the level of a material or enterprise level risk.

Family Relationships

There are no family relationships among any of our executive officers or any of the persons to be nominated as our directors prior to the consummation of this offering.

Code of Ethics

We have adopted a Code of Ethics that applies to all of our employees, including our chief executive officer, chief financial officer and principal accounting officer. Our Code of Ethics is available on our website at www.bc.com by clicking on *About Boise Cascade* and then *Code of Ethics*. If we amend or grant a waiver of one or more of the provisions of our Code of Ethics, we intend to satisfy the requirements under Item 5.05 of Item 8-K regarding the disclosure of amendments to or waivers from provisions of our Code of Ethics that apply to our principal executive officer, financial and accounting officers by posting the required information on our website at the above address. Our website is not part of this prospectus.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Named Executive Officers

Our Named Executive Officers for 2011 and the positions they held with the company as of December 31, 2011 are:

Thomas E. Carlile Chief Executive Officer
Wayne M. Rancourt Senior Vice President, Chief Financial Officer and Treasurer
Stanley R. Bell President, Building Materials Distribution
Thomas A. Lovlien President, Wood Products Manufacturing
John T. Sahlberg Vice President of Human Resources, General Counsel and Secretary

Throughout this section, the term "Named Executive Officer" is intended to refer to the individuals identified above. The term "Officer" is intended to refer to those persons holding the title of Vice President, Senior Vice President, President, or Chief Executive Officer, all of whom are identified in the section titled "Management."

Summary of Key Events and Drivers

During 2011, the compensation committee engaged Frederic W. Cook & Co. ("Frederic Cook") to undertake a general review of the base and incentive compensation of our Officers. No changes were made in 2011 to Named Executive Officer compensation as a result of the Frederick Cook review and due to the continuing depressed conditions in our product markets. The major compensation events affecting our Named Executive Officers during 2011 were as follows:

1. In February 2011, the compensation committee confirmed the long-term incentive plan ("LTIP") awards for 2010 calculated under the terms of the plan and directed payment of the initial installment of the 2010 awards. In addition, in February 2011, Award Notices for the 2011 iteration of the plan were approved by the committee. In February 2012, the compensation committee confirmed the LTIP awards for 2011 calculated under the terms of the plan, directed payment of the initial installment of the 2011 awards and approved the 2012 Award Notices under the plan.
2. In February 2011, the compensation committee approved award payments to our Named Executive Officers and other participants for amounts earned under our annual, short-term Incentive and Performance Plan ("STIP") for the 2010 plan year. The committee also approved issuance by the company of Award Notices under the plan, which established the criteria for 2011 awards for our Named Executive Officers and other participants in the plan. In February 2012, the committee approved award payments to our Named Executive Officers and other participants for amounts earned under the STIP for the 2011 plan year and approved issuance of Award Notices under the plan, which establish the criteria for 2012 awards to our Named Executive Officers and other participants in the plan.
3. On September 30, 2011, the compensation committee authorized the entry into a three-year retention agreement for Mr. Carlile.

Executive Compensation Program Objective

Our compensation committee's overall objective for our Named Executive Officers' compensation is to establish a package that will:

Provide aggregate compensation that reflects the market compensation for executives with similar responsibilities with due adjustment to reflect the experience, performance and other distinguishing characteristics of specific individuals;

Table of Contents

Align compensation with the company's performance on both a short-term and long-term basis;

Link each Named Executive Officer's compensation to his performance and the areas for which he is responsible;

Attract, motivate, reward and retain the broad-based management talent critical to achieving the company's business goals;
and

Align the interests of our Named Executive Officers with those of our equity owners through their ownership of equity interests of the company.

What the Compensation Program Is Designed to Reward

The compensation program as a whole is designed to provide a base level of compensation that will attract and retain the broad-based management talent the compensation committee believes is essential to achieving the company's strategic objectives and to reward, with short-term and long-term compensation, performance by its Named Executive Officers that maintains and creates value for our equity investors. Although we anticipate that the specific details of our executive compensation and benefits may be altered from time to time to reflect economic conditions, changes in the market for executive talent, the company's business strategies and regulatory changes, the overall objective of our compensation and benefits package will remain substantially the same over time.

Use of Market Data to Determine Amount and Allocation of Compensation

The compensation committee believes that an important criterion for the determination of the aggregate value of the company's compensation program and the allocation of such value among the various elements of its compensation plans is market data on the amounts, allocations and structures utilized by similarly situated companies for positions of comparable responsibility.

Management and the compensation committee have historically utilized compensation and benefits surveys to ascertain market levels of aggregate compensation and the allocation of that compensation among specific compensation elements for its Named Executive Officers. Aggregate compensation and each of the major elements (base salary, STIP compensation and LTIP compensation) for the company's Named Executive Officers had been targeted at the 50th percentile of the surveyed companies. However, the specific aggregate compensation (and the allocation thereof among the elements of such total compensation) paid to any of our Named Executive Officers may be below or above the 50th percentile target levels, depending on subjective judgments made by the compensation committee based on factors such as the specific Officer's tenure with the company and in his position, responsibilities that vary from the benchmark position and historical performance in the job. In 2011, the aggregate compensation paid to each of Messrs. Bell and Lovlien was above the 50th percentile target levels in light of their respective years of experience in the positions in which they serve. The aggregate compensation paid to Messrs. Carlile, Sahlberg and Rancourt were at or beneath such 50th percentile target levels in light of their respective experience levels in the positions in which they serve, each of which was less than that of Messrs. Bell and Lovlien.

In 2011, the committee retained the services of Frederic Cook, a compensation consultant, to prepare a comprehensive analysis of the company's compensation packages for its Named Executive Officers and to compare the specific elements of compensation and the aggregate value with a group of peer companies selected by the consultant. The peer companies consisted of Ainsworth Lumber Co.; Associated Materials Incorporated; Beacon Roofing Supply, Inc.; BlueLinx, Inc.; Builders FirstSource, Inc.; Canfor Corporation; Eagle Materials, Inc.; International Forest Products Corporation; Louisiana-Pacific Corporation; Norbord Ltd.; Nortek, Inc.; Ply Gem Holdings, Inc.; Simpson Manufacturing Company, Inc.; Universal Forest Products, Inc.; and West Fraser Timber Co. Ltd. The compensation

Table of Contents

committee used the results of this study, along with the continuing depressed conditions in our product markets, to guide it in determining not to make any changes in Named Executive Officer compensation in 2011.

Executive Compensation Program Elements

The five elements of the company's executive compensation program are:

Base salary;

STIP;

Discretionary bonus awards;

LTIP; and

Other compensation and benefit plans.

Base Salary

The company provides a base salary to Officers to attract and retain talented and experienced individuals to provide management and leadership services to the company.

The committee customarily reviews base salaries for Named Executive Officers annually and at the time of promotions or other changes in responsibilities. Because of the continuing extreme adverse conditions in the company's product markets, the compensation committee has not approved a general wage increase for the Named Executive Officers in the years covered in this filing, but has approved the following changes to reflect promotions: a promotional increase was granted to Mr. Rancourt when he became Senior Vice President, Chief Financial Officer and Treasurer in 2009 and one was granted to Mr. Carlile when he became Chief Executive Officer in 2009. The compensation committee arrived at the base salaries granted Mr. Carlile and Mr. Rancourt on the basis of a comparative analysis of the base salaries accorded their predecessors, along with their relative levels of experience and the current structure of the company, rather than a comprehensive review of new market data.

STIP

The STIP is designed to recognize and reward the contributions that Named Executive Officers and other participants have made to the company's annual performance. The plan does this by linking a portion of the annual cash compensation of each participant to performance measures that are expected to positively affect the company's annual financial performance. We offer this plan to encourage and reward conduct that will lead to better performance of our businesses as measured by the criteria used for determining award amounts. Each individual's participation in the plan, along with the criteria for calculation of the payout to such participant, is established annually by action of our compensation committee and communicated to the participants in a STIP Award Notification (Award Notice). A determination of the amount payable under the plan on account of the year is made by the compensation committee and the resulting payments (Awards) are made to participants.

Table of Contents*2011 STIP Compensation*

For 2011, each of our Named Executive Officers participated in the STIP. The plan provided for Awards to be calculated as a percentage of base salary, based on the extent to which the financial goals and performance objectives were met during the year and on the exercise of the compensation committee's discretion. The 2011 annual incentive Award targets for our Named Executive Officers were as follows:

Officer	Target as a Percentage of Base Salary
Thomas E. Carlile	100%
Wayne M. Rancourt	55%
Stanley R. Bell	55%
Thomas A. Lovlien	55%
John T. Sahlberg	45%

The actual Awards may be less than or greater than the target incentive amounts depending on the achievement of predetermined financial goals and performance objectives and the exercise of the compensation committee's discretion. Awards for each Officer ranges from a threshold of 25% of the target Award through a maximum of 225% of the target Award, depending on financial goals achieved for 2011. The dollar amount of the threshold, target and maximum Award payable to each of our Named Executive Officers is set out in the table found under "Grants of Plan-Based Awards" in this "Executive Compensation" section.

The annual financial goals required for each of our Named Executive Officers under our 2011 STIP were as follows:

Officer	Financial Criteria	Requirement For Threshold Payment \$ or %	Requirement For Target Payment \$ or %	Requirement For Maximum Payment \$ or %
(in millions, except PRONWC)				
Thomas E. Carlile	100% Corporate EBITDA	\$ 5	\$ 40	\$ 125
Wayne M. Rancourt	100% Corporate EBITDA	5	40	125
Stanley R. Bell	25% Corporate EBITDA	5	40	125
	37.5% BMD Division EBITDA	10	25	70
	37.5% BMD Division PRONWC	1.0%	8.8%	23.5%
Thomas A. Lovlien	25% Corporate EBITDA	5	40	125
	75% Wood Products Division EBITDA	10	35	80
John T. Sahlberg	100% Corporate EBITDA	5	40	125

EBITDA means earnings before interest (interest expense and interest income), income taxes and depreciation and amortization at the corporate or division level as indicated in the table above and adjusted in each case for special items. PRONWC means pretax return on net working capital. It is calculated by dividing Building Materials Distribution segment net operating income by the segment's average net working capital reported as of each month-end during a 13-month period running from December 2010 through December 2011, adjusted in each case for special items. The compensation committee believes that EBITDA adjusted for special items represents a financial measure that closely approximates the value delivered by management to the company's equity owners and is a key measure of performance frequently used by the company's debt holders. The compensation committee included

Table of Contents

PRONWC as a portion of Mr. Bell's performance criteria because it reflects his division's control of its working capital, which is a critical financial measure in our distribution business. In 2011, the Corporate EBITDA, Building Materials Distribution EBITDA and Wood Products EBITDA were \$12.9 million, \$11.6 million and \$15.5 million, respectively, resulting in aggregate payments to each of our Named Executive Officers equal to 42% of target under the STIP for 2011.

At its meeting in February 2012, our compensation committee confirmed the payment to each of our Named Executive Officers of an Award that was calculated in accordance with the plan's metrics. The amounts approved by the committee for payment to each of the Named Executive Officers pursuant to the 2011 plan are reported in the column titled Non-Equity Incentive Plan Compensation in the Summary Compensation Table.

2012 STIP Compensation

At the compensation committee's meeting in February 2012, the committee approved the details of the company's 2012 STIP. No changes were made to the plan document or the methods for calculating the financial criteria to be used in determining each Named Executive Officer's Award under the plan. The annual financial goals required for each of our Named Executive Officers under our 2012 STIP are as follows:

Officer	Financial Criteria	Requirement For Threshold Payment	Requirement For Target Payment	Requirement For Maximum Payment
		\$ or %	\$ or %	\$ or %
(in millions, except PRONWC)				
Thomas E. Carlile	100% Corporate EBITDA	\$ 5	\$ 50	\$ 135
Wayne M. Rancourt	100% Corporate EBITDA	5	50	135
Stanley R. Bell	25% Corporate EBITDA	5	50	135
	37.5% BMD Division EBITDA	10	30	70
	37.5% BMD Division PRONWC	1.0%	11.3%	24.0%
Thomas A. Lovlien	25% Corporate EBITDA	5	50	135
	75% Wood Products Division EBITDA	10	40	90
	100% Corporate EBITDA	5	50	135
John T. Sahlberg	100% Corporate EBITDA	5	50	135

As in past years, the committee reserves broad discretion to adjust the formula payout of the STIP based on its perception of the performance of the company relevant to market conditions prevailing during the plan period, along with other factors it deems relevant, including the company's performance compared with competitors and its ability to bear the cost of the payout. The compensation committee did not exercise any discretion with respect to confirming payments under the STIP for 2011 and approved payments in accordance with the related formula payout for such year.

2011 Bonus Payments

From time to time, the company may elect to grant a discretionary bonus to one or more of the Officers or other employees to recognize and reward exemplary performance providing value to the company that is not recognized by the structure of the company's STIP. These bonus payments are not governed by any formal plan and no Officer has any contractual entitlement or expectation of any such payment. The amount and timing of the grant of any such bonus to Named Executive Officers are determined by the compensation committee at its sole discretion. No ad hoc bonuses were paid to any of our Named Executive Officers as compensation for 2011.

Table of Contents

Long-Term Incentive Compensation (Management Equity Plan and LTIP)

We have two long-term incentive plans that are included in the compensation information for our Named Executive Officers: the Management Equity Plan ("MEP") and the 2010 and 2011 LTIPs. The MEP ended on December 31, 2010, as discussed below and so no Named Executive Officer received any compensation from the plan in 2011.

MEP

Our principal equity owner is a private equity fund managed by Madison Dearborn. Madison Dearborn believes that the senior management of its portfolio companies should hold a personally significant interest in the equity of the portfolio company and maintain that ownership throughout the period of Madison Dearborn's ownership of the portfolio company. The purpose of this requirement is to maintain a close alignment between the interests of Madison Dearborn, as the principal equity owner of the portfolio company and the interests of the company's senior management. The terms of these arrangements are structured uniquely to fit the conditions of each portfolio company, but the overriding philosophy is to encourage investment by key managers in the enterprise so their interests are aligned with those of Madison Dearborn.

Madison Dearborn implemented its management investment philosophy in our case through the creation of the MEP. The compensation committee believes the MEP aligns the interests of the Named Executive Officers and other management investors (the Management Investors) with those of BC Holdings' equity investors. Under the terms of the MEP, each Named Executive Officer has made a personally significant investment in the company. With limited exceptions described below, he or she may be required to maintain that investment or interest for the same term as Madison Dearborn maintains its investment in the company. All references to "Series A equity units", "Series B equity units" or Series C equity units" in this "Executive Compensation" section refer to equity units of BC Holdings, our direct parent company.

Shortly after the completion of our acquisition of the forest products and paper assets of OfficeMax, FPH offered an opportunity to purchase its Series B equity units to each of 171 of the Management Investors. The Series B equity units were priced at \$1.00 per unit, which was the same price paid by Madison Dearborn for its investment in FPH made to fund the acquisition. If a Management Investor elected to purchase Series B equity units (which all of our Named Executive Officers and substantially all of the other offerees elected to do), he or she was also awarded a grant of the FPH Series C equity units. The Series B equity units are the voting common equity units of FPH. The Series C equity units are nonvoting equity units of FPH, which share in the appreciation in the value of FPH only after the holders of the Series B equity units have recovered a specified participation threshold. The participation threshold for Series C equity units issued in 2004 was \$1.00 per outstanding Series B unit.

In 2006 and 2009, an additional award of Series C equity units was made to a limited group of individuals, including two of our directors. The participation threshold of our 2006 and 2009 Series C equity units to the outstanding Series B equity units are \$2.00 and \$1.30, respectively.

As a result of employment terminations due principally to business unit divestitures and retirements, our Series B and Series C management equity units are held by 52 of our key managers (as of January 1, 2012). The number of shares of our common stock in which our Named Executive Officers may be deemed to have a pecuniary interest (based on the number of FPH Series B and Series C equity units currently held by such Named Executive Officers) are disclosed in "Security Ownership by Certain Beneficial Owners and Management" of this prospectus.

The 2004 and 2006 purchases and awards (and the subsequent ownership of the FPH Series B and Series C equity units so purchased or awarded) are governed by a series of Management Equity

Table of Contents

Agreements between FPH, Madison Dearborn and each of the Management Investors, which collectively constitute our MEP.

The MEP contains many of the features typical of an investor rights agreement for a closely held company. The material terms of the MEP are:

The Management Investor is not permitted to sell or otherwise transfer his or her equity units governed by the agreement except in connection with estate planning activities (in which case, the equity units remain subject to the plan) and in connection with implementation of the liquidity features described below.

The Management Investor is required to sell his or her units in connection with a sale of FPH approved by Madison Dearborn and may require that Madison Dearborn cause a purchaser of all or any portion of the FPH equity units held by Madison Dearborn to include in its purchase of Madison Dearborn's equity units the equity units of each of the Management Investors (or the applicable proportion thereof in the case of a purchase of less than all of the FPH equity units) at the same price and on the same terms as are provided to Madison Dearborn (with due allowance for the relevant participation thresholds applicable to Series C equity units).

FPH may, but is not required to, purchase from the Management Investor his or her equity units upon termination of the Management Investor's employment with the company (or service on the board of directors) at a fair market value for all vested equity units and original costs for unvested Series B equity units. No repurchase price is payable as to unvested Series C equity units. The company's current policy is that it does not repurchase the units of a Management Investor who leaves the company except where such repurchase is required of it by the terms of the MEP. A Management Investor may require the company to exercise its option to repurchase his or her equity units upon termination of employment with the company (or service on its board of directors) only if such termination arises from either (i) the death or permanent disability of the Management Investor or (ii) the sale of a division of the company applicable to the Management Investor.

Series B equity units vested over a three to five-year period, which ended on December 31, 2009. With regard to Series C equity units held by Named Executive Officers, 81.45% of those units were subject to a time-vesting requirement, which was fully satisfied on December 31, 2010. The remaining Series C equity units were subject to a performance-vesting formula, satisfaction of which was to be calculated as of December 31, 2010. None of the Series C performance units met their performance-vesting requirements and accordingly, they were all forfeited at year-end 2010. The number of Series B and Series C equity units held by each of our Named Executive Officers is disclosed in "Security Ownership of Certain Beneficial Owners and Management." All such units are now fully vested. In contrast to many public company equity compensation plans, vesting does not, under our plan, necessarily create a liquidity opportunity for the Management Investor. Its only effect is on the valuation formulas that may be used when and if a liquidity event occurs.

LTIP

In October 2009, our compensation committee adopted our LTIP. The terms of the LTIP contemplate the annual grant to participants by the company of an opportunity to earn a cash Award conditioned upon achievement of specified financial goals established by the compensation committee. The plan provides that the identity of participants and the terms under which each year's Award are to be calculated and paid shall be set by the compensation committee and communicated to participants in an Award Notice with the resulting payments to be calculated by the compensation committee once the company's performance against the relevant financial criteria is determined.

Table of Contents

In February 2011, the compensation committee approved Award Notices under the LTIP for a group of the company's senior managers, including each of its Named Executive Officers. The Award Notices enabled each such Officer an opportunity to earn a cash Award determined on the basis of a target percentage of the Officer's base salary (as specified in the Award Notice) and the company's 2011 achievement against corporate EBITDA goals, set forth in the Award Notice. Awards for each Officer ranges from a threshold of 50% of the target Award through a maximum of 200% of the target Award, depending on corporate EBITDA achieved for 2011. Although the amount of the Award was determined on the basis of the company's 2011 financial performance, the resulting Award will be paid in three equal installments, which will be payable no later than March 15, 2012, 2013 and 2014. To earn each installment of the Award, a participant must remain an employee of the company through December 31 of the year preceding the due date of the payment, provided that participants who are retirement eligible and who in fact retire prior to such vesting dates will nonetheless be treated as fully vested in all three installments. If in any plan year the company and its service providers are subject to the provisions of Internal Revenue Code Section 457A, participants who meet the plan's definition of "retirement eligible" will receive an accelerated distribution (the Section 457A Accelerated Payment) equal to 40% of the deferred installments of the Award for such plan year. The purpose of this accelerated payment of a portion of the deferred installments is to enable such participants to pay taxes on the imputed income for the deferred installments, which Internal Revenue Code Section 457A imposes on the deferred installments. Plan participants are retirement-eligible if they are: 1) age 62 or older and have ten years of service or 2) are age 65 or older.

In considering the LTIP and the 2011 Award Notices, the compensation committee recognized that management's ownership of Series B and Series C equity units under the Management Equity Plan will continue to provide an incentive that aligns management's interests with those of the company's equity owners. However, it also recognized that with the expiration of the vesting provisions of that structure, an additional long-term incentive component was required to maintain competitive compensation levels, provide a retention incentive and provide adequate alignment of management's and equityholders' interests.

The target Awards for 2011, expressed as a percentage of base salary, for each of our Named Executive Officers, are disclosed in the table below:

Officer	Target Award as a Percentage of Base Salary
Thomas E. Carlile	100%
Wayne R. Rancourt	50%
Stanley R. Bell	50%
Thomas A. Lovlien	50%
John T. Sahlberg	40%
	98

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Table of Contents

The annual financial goals required for each of our Named Executive Officers under our 2011 LTIP were as follows:

Officer	Financial Criteria	Requirement For Threshold Payment	Requirement For Target Payment	Requirement For Maximum Payment
		\$	\$	\$
		(in millions)		
Thomas E. Carlile	100% Corporate EBITDA	\$ 10	\$ 50	\$ 130
Wayne M. Rancourt	100% Corporate EBITDA	10	50	130
Stanley R. Bell	100% Corporate EBITDA	10	50	130
Thomas A. Lovlien	100% Corporate EBITDA	10	50	130
John T. Sahlberg	100% Corporate EBITDA	10	50	130

EBITDA means earnings before interest (interest expense and interest income), income taxes and depreciation and amortization as indicated in the table above and adjusted in each case for special items. The compensation committee believes that EBITDA adjusted for special items represents a financial measure that closely approximates the value delivered by management to the company's equity owners and is a key measure of performance frequently used by the company's debt holders. Corporate EBITDA was \$12.9 million in 2011, resulting in aggregate payments to each of our Named Executive Officers equal to 54% of target under the LTIP for such year.

In February 2012, Awards, calculated in accordance with the metrics of the LTIP and the 2011 Award Notices and the company's 2011 financial performance, were confirmed by the compensation committee and payments of initial installments of such 2011 Awards were authorized. In addition, payments of Section 457A Accelerated Payments to two Named Executive Officers who were retirement-eligible were authorized. The amount of such payment authorized for each Named Executive Officer is disclosed in the column titled "Non-Equity Incentive Plan Compensation" in the "Summary Compensation Table" and the explanatory footnote to such column.

2012 LTIP

At the compensation committee's meeting in February 2012, the committee approved the details of the company's 2012 LTIP Award Notices. No changes were made to the plan document or the methods for calculating the financial criteria to be used in determining each Named Executive Officer's Award under the plan. The annual financial goals required for each of our Named Executive Officers under our 2012 LTIP are as follows:

Officer	Financial Criteria	Requirement For Threshold Payment	Requirement For Target Payment	Requirement For Maximum Payment
		\$	\$	\$
		(in millions)		
Thomas E. Carlile	100% Corporate EBITDA	\$ 10	\$ 60	\$ 150
Wayne M. Rancourt	100% Corporate EBITDA	10	60	150
Stanley R. Bell	100% Corporate EBITDA	10	60	150
Thomas A. Lovlien	100% Corporate EBITDA	10	60	150
John T. Sahlberg	100% Corporate EBITDA			

	10	60	150
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Table of Contents

As in past years, the compensation committee reserves broad discretion to adjust the formula payout of the LTIP based on its perception of the performance of the company relevant to market conditions prevailing during the plan period, along with other factors it deems relevant, including the company's performance compared with competitors and its ability to bear the cost of the payout.

Other Compensation and Benefit Plans

The company's Named Executive Officers receive additional compensation in the form of payments, allocations, or accruals under various other compensation and benefit plans. These plans and benefits, which are described below, are provided to ensure that we are providing an aggregate compensation and benefits package that is competitive in the marketplace, thereby ensuring that we can attract and retain the management talent needed to achieve the company's strategic objectives.

Defined Benefit Pension Benefits

We maintain a frozen defined benefit pension plan, referred to as the Salaried Pension Plan ("SPP"), as well as frozen supplemental pension plans for certain salaried employees, including each of the Named Executive Officers.

Our SPP entitles each vested employee to receive an annual pension benefit at normal retirement age equal to 1.25% of the average of the highest five consecutive years of compensation out of the last ten years of employment through December 31, 2009, multiplied by the participant's years of service through December 31, 2003, plus 1% of the average of such benchmark compensation level multiplied by the participant's years of service from December 31, 2003, through December 31, 2009. Under the SPP, "compensation" is defined as the employee's taxable base salary plus any taxable amounts earned under our annual variable incentive compensation programs. Benefits are computed on a straight-line annuity basis and are not offset by Social Security or other retirement-type benefits. An employee is 100% vested in his or her pension benefit after five years of unbroken service. Our compensation committee froze the company's salaried pension plans effective December 31, 2009. Accordingly, no further benefits have been earned under this plan since that date.

If prior to the freezing of the SPP, an employee earned income in excess of the limits provided under the Internal Revenue Code for qualified plans, or if income was deferred under the company's deferred compensation plan and not taxed (and therefore not counted for purposes of the benefit amount calculation under the qualified SPP), the excess benefits will be paid from the company's general assets under our unfunded, nonqualified Supplemental Pension Plan (SUPP). Because the benefit definition in the SUPP is derivative of that contained in the SPP described above, the benefit freeze adopted for the qualified plan at year-end 2009 effected a similar freeze in further benefit accruals as of such date under the SUPP.

Under our unfunded, nonqualified Supplemental Early Retirement Plan ("SERP"), an Officer is eligible for benefits under the plan if he or she: (i) was an Officer of OfficeMax immediately prior to Madison Dearborn's acquisition of the forest products and paper assets from OfficeMax (the Forest Products Acquisition); (ii) is 55 years old or older (or 58 years old or older for Officers elected on or after June 1, 2004 and before October 29, 2004); (iii) has ten or more years of service; (iv) has served as an Officer for at least five full years; and (v) retires before the age of 65. Eligible Officers retiring prior to age 65 receive an early retirement benefit from the SERP which, in combination with their benefit under the SPP and the SUPP, equals the benefit calculated under the SPP and the SUPP without reduction due to the Officer's early retirement. Because the benefit definition in the SERP is derivative of that contained in the SPP described above, the benefit freeze adopted for the qualified plan at year-end 2009 effected a similar freeze in further benefit accruals as of such date under the SERP. Benefits payable under the SERP are offset in part by benefits payable under a similar plan maintained by OfficeMax. Messrs. Carlile and Lovlien are currently eligible for early retirement under

Table of Contents

the SERP. Mr. Rancourt will become eligible for benefits under the SERP when he reaches age 58. Mr. Bell's age permits him to retire with unreduced benefits under our SPP and the SUPP and accordingly, he does not participate in the SERP.

Changes in the aggregate defined benefit pension present values for each of our Named Executive Officers are disclosed in footnote 4 to the "Summary Compensation Table," and the present value of accumulated benefits at December 31, 2011, under each such plan is disclosed with respect to each Named Executive Officer in the table found under the heading "Pension Benefits" in the "Compensation Discussion and Analysis" section.

401(k) Plan

The company maintains a 401(k) defined contribution savings plan for all of its U.S. salaried employees, including its Named Executive Officers. Under the plan, eligible employees electing to participate may contribute up to 50% of their pretax income, subject to Internal Revenue Service (IRS) rules limiting an individual's total contributions and the application of IRS tests designed to ensure that the plan does not discriminate in favor of highly compensated employees.

Since March 1, 2010, the company has provided a contribution to each salaried employee's 401(k) account for each pay period in an amount equal to 4% of the employee's eligible wages (base salary and short-term incentive compensation) for such period. In addition, in years in which the company's EBITDA exceeds specified targets, the company has elected to contribute an additional amount to each employee's 401(k) account as a discretionary contribution, which, for 2012, will be up to 1% of the employee's eligible wages (for an aggregate of up to 5% for 2012), depending on the affected employee's number of service years. Amounts in excess of IRS annual limitations on company contributions to qualified defined contribution retirement plans are paid to participants as taxable cash compensation. All of our Named Executive Officers participate in the plan.

Amounts deferred under this plan by Named Executive Officers are included in the salary disclosure in the "Summary Compensation Table," and amounts contributed to the account of a Named Executive Officer under the plan are included in the "All Other Compensation" disclosure in the "Summary Compensation Table."

Nonqualified Deferred Compensation

Our Deferred Compensation Plan is an unfunded nonqualified defined contribution plan that was closed to further participation on December 31, 2009, as discussed below. Under the plan, participating employees irrevocably elected each year to defer receipt of a portion of their base salary and incentive compensation. A participant's account is credited with imputed interest at a rate equal to 130% of Moody's Composite Average of Yields on Corporate Bonds. Participants may receive payment of their deferred compensation plan balance in a lump sum or in monthly installments over a specified period of years following the termination of their employment with the company. Each of our Named Executive Officers is a participant in our Deferred Compensation Plan.

During 2009, management determined that the Deferred Compensation Plan was affected by the company's status as a disqualified entity under Internal Revenue Code Section 457A. As a result, the committee voted to modify the Deferred Compensation Plan to provide that for so long as the company remains a disqualified entity under Section 457A, no further compensation deferrals will be made under the plan. The company has determined that it remains a disqualified entity for 2011 and has no expectation that such status will change in 2012. As a result, no further compensation was credited by the company to participant accounts during 2011, except for earnings on account balances as they existed on January 1, 2011.

Table of Contents

Amounts deferred under this plan by, or contributed to the account under the plan in years prior to the suspension of deferrals and contributions because of Internal Revenue Code Section 457A, any of our Named Executive Officers are disclosed in the "Summary Compensation Table."

Agreements With and Potential Payments to, Named Executive Officers

The company does not have employment agreements with any of its Named Executive Officers other than the limited agreements described below.

Severance Agreements With Messrs. Carlile, Rancourt, Bell, Lovlien and Sahlberg

Boise Cascade entered into severance agreements with each of its Named Executive Officers in February 2008, including Messrs. Carlile, Rancourt, Bell, Lovlien and Sahlberg to maintain operating continuity in the event of a change of control. The severance agreements are effective for three years, provided that on the second anniversary and each anniversary thereafter, the term of each severance agreement is automatically extended for an additional year unless the company gives 60 days' prior notice stating otherwise. Notice was not given prior to the anniversary date in February 2012. Accordingly, the term of such agreements has now been extended to February 22, 2014. Mr. Sahlberg entered into a new severance agreement in August 2012 in connection with his appointment as our senior vice president, Human Resources and General Counsel in the same month.

The severance agreements provide that in the event of a "qualifying termination" (meaning any termination with the exception of (i) a termination by the company for cause or disability, (ii) a termination by the employee other than for good reason (as described in the severance agreement), or (iii) termination as a result of the employee's death), an employee will be entitled to receive (a) his or her full base salary through the date of termination, a short-term incentive plan payment for the year of termination based on the plan's actual payout for the year and prorated to reflect the portion of the year expired and all other compensation to which he or she is then entitled; (b) a lump-sum severance payment equal to one or two times the sum of such employee's annual base salary plus target annual incentive bonus for the year in which the termination occurs; and (c) a lump-sum amount equal to the value of such employee's unused and accrued time off, less any advanced time off, in accordance with the applicable time off policy as in effect on the termination date. Additionally, the severance agreements provide, in the event of a qualifying termination, for full maintenance of healthcare and insurance benefits for a period of 12 or 18 months following the termination date (subject to payment of required contributions), payment of the premium under the company's Supplemental Life Plan for 12 or 24 months following the termination date and if applicable, receipt of the monthly benefit that such employee would have been entitled to receive under the SERP as if such employee had satisfied the age and service requirements under the SERP as of his or her termination date. The higher levels of severance benefits are generally reserved for those officers at the level of senior vice president and higher (Messrs. Carlile, Rancourt, Bell, Lovlien and Sahlberg).

The severance agreements provide that in the event of a termination that is not a qualifying termination, such employee will be entitled to receive his or her full base salary through the date of termination, plus all other compensation to which he is then entitled. In the event of a failure to perform duties as a result of incapacity due to physical or mental illness or injury, such employee will be entitled to continue to receive his full base salary until such time as his employment is terminated due to disability. No severance payments or continuation of healthcare benefits beyond the date of termination are provided for under such circumstances.

In consideration of the severance payments as described above, each severance agreement contains, with respect to each employee party thereto, confidentiality and nonsolicitation provisions, as well as a provision for general release of all claims against the company and its affiliates, as a condition of payment of benefits under the severance agreement.

Table of Contents

Retention Agreements With Messrs. Bell, Lovlien and Carlile

In August 2009, Boise Cascade entered into Retention Award Agreements with Messrs. Bell and Lovlien to help maintain experienced management during the economic downturn. Each of these agreements provides that the officer may, by maintaining his employment with Boise Cascade, through a specified vesting date, earn a cash award equal to his base salary at the time of vesting of the award. The vesting date specified in the agreements is October 31, 2011 for Mr. Bell and December 31, 2012 for Mr. Lovlien. Each agreement provides that if the individual's employment terminates prior to the vesting date due to death or permanent disability, a prorated award will vest on and be payable within 90 days after such termination and that if employment is terminated due to a sale, merger, reorganization or restructuring of all or part of Boise Cascade or a reduction in force or the sale or closure of the division which such officer heads, or for reasons other than a disciplinary reason, the full amount of the award will vest upon such termination and be payable within 90 days thereafter. Mr. Bell's agreement expired on October 31, 2011 and he was paid under the terms of that agreement, as shown in the "Bonus" column in the "Summary Compensation Table" of this section.

In September 2011, Boise Cascade entered into a three-year Retention Award Agreement with Mr. Carlile to create an additional economic incentive for Mr. Carlile to remain our Chief Executive Officer and to help provide for an orderly leadership transition at a later date. The terms of Mr. Carlile's agreement were the same as the October 2009 retention agreements detailed above, with the exceptions that Mr. Carlile's agreement runs through September 30, 2014 and the agreement provides he receive an additional payment equal to his average STIP payouts over the three years prior to the vesting date of the agreement.

Salaried Employee Life Insurance Plan and Supplemental Life Plan

The company maintains two plans under which company-paid life insurance is made available to its Officers. Under its Salaried Employee Life Insurance Plan, the company provides, at its expense during each salaried employee's period of employment, life insurance in an amount equal to the employee's base salary. Messrs. Rancourt and Sahlberg participate in this plan.

Messrs. Carlile, Bell and Lovlien participate in our Officers' Supplemental Life Plan, under which a company-paid life insurance benefit during employment is provided in an amount equal to two times the Officer's base salary. The plan also provides a postretirement life insurance benefit for such Officers equal to one times their final base salary (less any amount payable under the company's paid group term life insurance program).

Amounts paid by the company for the coverage provided to each of our Named Executive Officers is reported in the column titled "All Other Compensation" in the "Summary Compensation Table."

2013 Equity Incentive Plan

In connection with this offering, we expect to adopt the 2013 Equity Incentive Plan. The 2013 Equity Incentive Plan is expected to provide for grants of stock options, stock appreciation rights, restricted stock, other stock-based awards and other cash-based compensation. Directors, officers and other employees of us and our subsidiaries, as well as others performing consulting or advisory services for us, will be eligible for grants under the 2013 Equity Incentive Plan. The purpose of the 2013 Equity Incentive Plan will be to provide incentives that will attract, retain and motivate high-performing officers, directors, employees and consultants by providing them a proprietary interest in our long-term success or compensation based on their performance in fulfilling their responsibilities to our company. This summary may not include all of the provisions of the 2013 Equity Incentive Plan. For further information about the 2013 Equity Incentive Plan, we refer you to the complete copy of the 2013 Equity Incentive Plan, which we will file as an exhibit to the registration statement.

Table of Contents

Administration. The 2013 Equity Incentive Plan will be administered by a committee designated by our board of directors. Among the committee's powers will be to (i) determine the form, amount and other terms and conditions of awards; (ii) clarify, construe or resolve any ambiguity in any provision of the 2013 Equity Incentive Plan or any award agreement; (iii) amend the terms of outstanding awards; and (iv) adopt such rules, forms, instruments and guidelines for administering the 2013 Equity Incentive Plan as it deems necessary or proper. The committee will have full authority to administer and interpret the 2013 Equity Incentive Plan, to grant discretionary awards under the 2013 Equity Incentive Plan, to determine the persons to whom awards will be granted, to determine the types of awards to be granted, to determine the terms and conditions of each award, to determine the number of shares of common stock to be covered by each award, to make all other determinations in connection with the 2013 Equity Incentive Plan and the awards thereunder as the committee deems necessary or desirable and to delegate authority under the 2013 Equity Incentive Plan to our executive officers.

Available Shares. The aggregate number of shares of common stock which may be issued or used for reference purposes under the 2013 Equity Incentive Plan or with respect to which awards may be granted may not exceed _____ shares. The number of shares available for issuance under the 2013 Equity Incentive Plan may be subject to adjustment in the event of a reorganization, stock split, merger or similar change in the corporate structure or the number of outstanding shares of our common stock. In the event of any of these occurrences, we may make any adjustments we consider appropriate to, among other things, the number and kind of shares, options or other property available for issuance under the plan or covered by grants previously made under the plan. The shares available for issuance under the plan may be, in whole or in part, either authorized and unissued shares of our common stock or shares of common stock held in or acquired for our treasury. In general, if awards under the 2013 Equity Incentive Plan are for any reason cancelled, or expire or terminate unexercised, the shares covered by such awards may again be available for the grant of awards under the 2013 Equity Incentive Plan.

Eligibility for Participation. Members of our board of directors, as well as employees of, and consultants to, us or any of our subsidiaries and affiliates will be eligible to receive awards under the 2013 Equity Incentive Plan.

Award Agreement. Awards granted under the 2013 Equity Incentive Plan will be evidenced by award agreements, which need not be identical, that provide additional terms, conditions, restrictions or limitations covering the grant of the award, including, without limitation, additional terms providing for the acceleration of exercisability or vesting of awards in the event of a change of control or conditions regarding the participant's employment, as determined by the committee.

Stock Options. The committee may grant nonqualified stock options to any individuals eligible to participate in the 2013 Equity Incentive Plan and incentive stock options to purchase shares of our common stock only to eligible employees. The committee will determine the number of shares of our common stock subject to each option, the term of each option, which may not exceed ten years, or five years in the case of an incentive stock option granted to a 10% or greater stockholder, the exercise price, the vesting schedule, if any, and the other material terms of each option. No incentive stock option or nonqualified stock option may have an exercise price less than the fair market value of a share of our common stock at the time of grant or, in the case of an incentive stock option granted to a 10% or greater stockholder, 110% of such share's fair market value. Options will be exercisable at such time or times and subject to such terms and conditions as determined by the committee at grant and the exercisability of such options may be accelerated by the committee.

Stock Appreciation Rights. The committee may grant stock appreciation rights, or "SARs," either with a stock option, which may be exercised only at such times and to the extent the related option is exercisable, or "Tandem SAR," or independent of a stock option, or "Non-Tandem SAR." A

Table of Contents

SAR is a right to receive a payment in shares of our common stock or cash, as determined by the committee, equal in value to the excess of the fair market value of one share of our common stock on the date of exercise over the exercise price per share established in connection with the grant of the SAR. The term of each SAR may not exceed ten years. The exercise price per share covered by an SAR will be the exercise price per share of the related option in the case of a Tandem SAR and will be the fair market value of our common stock on the date of grant in the case of a Non-Tandem SAR. The committee may also grant limited SARs, either as Tandem SARs or Non-Tandem SARs, which may become exercisable only upon the occurrence of a change in control, as defined in the 2013 Incentive Plan, or such other event as the committee may designate at the time of grant or thereafter.

Restricted Stock. The committee may award shares of restricted stock. Except as otherwise provided by the committee upon the award of restricted stock, the recipient generally will have the rights of a stockholder with respect to the shares, including the right to receive dividends, the right to vote the shares of restricted stock and, conditioned upon full vesting of shares of restricted stock, the right to tender such shares, subject to the conditions and restrictions generally applicable to restricted stock or specifically set forth in the recipient's restricted stock agreement. The committee may determine at the time of award that the payment of dividends, if any, will be deferred until the expiration of the applicable restriction period. Recipients of restricted stock will be required to enter into a restricted stock agreement with us that states the restrictions to which the shares are subject, which may include satisfaction of pre-established performance goals, and the criteria or date or dates on which such restrictions will lapse. If the grant of restricted stock or the lapse of the relevant restrictions is based on the attainment of performance goals, the committee will establish for each recipient the applicable performance goals, formulae or standards and the applicable vesting percentages with reference to the attainment of such goals or satisfaction of such formulae or standards while the outcome of the performance goals are substantially uncertain. Such performance goals may incorporate provisions for disregarding, or adjusting for, changes in accounting methods, corporate transactions, including, without limitation, dispositions and acquisitions, and other similar events or circumstances. Section 162(m) of the Internal Revenue Code requires that performance awards be based upon objective performance measures. The performance goals for performance-based restricted stock will be based on one or more of the objective criteria discussed in general below.

Other Stock-Based Awards. The committee may, subject to limitations under applicable law, make a grant of such other stock-based awards, including, without limitation, performance units, dividend equivalent units, stock equivalent units, restricted stock and deferred stock units under the 2013 Equity Incentive Plan that are payable in cash or denominated or payable in or valued by shares of our common stock or factors that influence the value of such shares. The committee may determine the terms and conditions of any such other awards, which may include the achievement of certain minimum performance goals for purposes of compliance with Section 162(m) of the Code and a minimum vesting period. The performance goals for performance-based other stock-based awards will be based on one or more of the objective criteria discussed in general below.

Other Cash-Based Awards. The committee may grant awards payable in cash. Cash-based awards shall be in such form, and dependent on such conditions, as the committee shall determine, including, without limitation, being subject to the satisfaction of vesting conditions or awarded purely as a bonus and not subject to restrictions or conditions. If a cash-based award is subject to vesting conditions, the committee may accelerate the vesting of such award in its discretion.

Performance Awards. The committee may grant a performance award to a participant payable upon the attainment of specific performance goals. The committee may grant performance awards that are intended to qualify as performance-based compensation under Section 162(m) of the Code as well as performance awards that are not intended to qualify as performance-based compensation under Section 162(m) of the Code. If the performance award is payable in cash, it may be paid upon the

Table of Contents

attainment of the relevant performance goals either in cash or in shares of restricted stock, based on the then current fair market value of such shares, as determined by the committee. Based on service, performance or other factors or criteria, the committee may, at or after grant, accelerate the vesting of all or any part of any performance award.

Performance Goals. The committee may grant awards of restricted stock, performance awards, and other stock-based awards that are intended to qualify as performance-based compensation for purposes of Section 162(m) of the Code. These awards may be granted, vest and be paid based on attainment of specified performance goals established by the committee. These performance goals may be based on the attainment of a certain target level of, or a specified increase or decrease in, one or more of the following measures selected by the committee: (1) earnings per share; (2) operating income; (3) gross income; (4) net income, before or after taxes; (5) cash flow; (6) gross profit; (7) gross profit return on investment; (8) gross margin return on investment; (9) gross margin; (10) operating margin; (11) working capital; (12) earnings before interest and taxes; (13) earnings before interest, tax, depreciation and amortization; (14) return on equity; (15) return on assets; (16) return on capital; (17) return on invested capital; (18) net revenues; (19) gross revenues; (20) revenue growth, as to either gross or net revenues; (21) annual recurring net or gross revenues; (22) recurring net or gross revenues; (23) license revenues; (24) sales or market share; (25) total shareholder return; (26) economic value added; (27) specified objectives with regard to limiting the level of increase in all or a portion of our bank debt or other long-term or short-term public or private debt or other similar financial obligations, which may be calculated net of cash balances and other offsets and adjustments as may be established by the committee; (28) the fair market value of the a share of common stock; (29) the growth in the value of an investment in the common stock assuming the reinvestment of dividends; (30) reduction in operating expenses or (31) other objective criteria determined by the committee in accordance with the 2013 Equity Incentive Plan.

To the extent permitted by law, the committee may also exclude the impact of an event or occurrence which the committee determines should be appropriately excluded, such as (1) restructurings, discontinued operations, extraordinary items and other unusual or non-recurring charges; (2) an event either not directly related to our operations or not within the reasonable control of management; or (3) a change in accounting standards required by generally accepted accounting principles. Performance goals may also be based on an individual participant's performance goals, as determined by the committee. In addition, all performance goals may be based upon the attainment of specified levels of our performance, or the performance of a subsidiary, division or other operational unit, under one or more of the measures described above relative to the performance of other corporations. The committee may designate additional business criteria on which the performance goals may be based or adjust, modify or amend those criteria.

Change in Control. In connection with a change in control, as will be defined in the 2013 Equity Incentive Plan, the committee may accelerate vesting of outstanding awards under the 2013 Equity Incentive Plan. In addition, such awards may be, in the discretion of the committee, (1) assumed and continued or substituted in accordance with applicable law; (2) purchased by us for an amount equal to the excess of the price of a share of our common stock paid in a change in control over the exercise price of the awards; or (3) cancelled if the price of a share of our common stock paid in a change in control is less than the exercise price of the award. The committee may also provide for accelerated vesting or lapse of restrictions of an award at any time.

Stockholder Rights. Except as otherwise provided in the applicable award agreement, and with respect to an award of restricted stock, a participant will have no rights as a stockholder with respect to shares of our common stock covered by any award until the participant becomes the record holder of such shares.

Table of Contents

Amendment and Termination. Notwithstanding any other provision of the 2013 Equity Incentive Plan, our board of directors may at any time amend any or all of the provisions of the 2013 Equity Incentive Plan, or suspend or terminate it entirely, retroactively or otherwise; provided, however, that, unless otherwise required by law or specifically provided in the 2013 Equity Incentive Plan, the rights of a participant with respect to awards granted prior to such amendment, suspension or termination may not be adversely affected without the consent of such participant.

Transferability. Awards granted under the 2013 Equity Incentive Plan generally will be nontransferable, other than by will or the laws of descent and distribution, except that the committee may provide for the transferability of nonqualified stock options at the time of grant or thereafter to certain family members.

Recoupment of Awards. The 2013 Equity Incentive Plan will provide that awards granted under the 2013 Equity Incentive Plan are subject to any recoupment policy we may have regarding the clawback of "incentive-based compensation" under the Exchange Act or under any applicable rules and regulations promulgated by the SEC.

Effective Date. We expect that the 2013 Equity Incentive Plan will be adopted in connection with the completion of this offering.

Summary Compensation Table

The following table presents compensation information for Messrs. Carlile, Rancourt, Bell, Lovlien and Sahlberg for 2011, 2010 and 2009, to the extent each of them served as one of our Named Executive Officers during each of such years:

Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)	Non-Equity Incentive Plan Compensation (\$)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
Thomas E. Carlile Chief Executive Officer	2011	\$ 700,000	\$	\$ 577,500	\$ 325,949	\$ 88,676	\$ 1,692,125
	2010	700,000		1,060,500	134,104	49,218	1,943,822
	2009	550,000			210,543	28,901	789,444
Wayne M. Rancourt Senior Vice President, Chief Financial Officer and Treasurer	2011	350,000		151,725	201,587	24,734	728,046
	2010	350,000		287,700	97,789	13,464	748,953
	2009	303,125			136,135	8,415	447,675
Stanley R. Bell President, Building Materials Distribution	2011	420,000	420,000(2)	194,828	173,524	37,199	1,245,551
	2010	420,000		326,954	53,570	29,462	829,986
	2009	420,000		163,505	136,941	45,041	765,487
Thomas A. Lovlien President, Wood Products Manufacturing	2011	420,000		182,070	260,721	46,156	908,947
	2010	420,000		428,400	185,453	30,928	1,064,781
	2009	420,000			239,331	28,847	688,178
John T. Sahlberg Vice President, Human Resource and General Counsel	2011	300,000		105,300	142,520	35,786	583,606

(1) Includes amounts deferred under our savings plan and, in 2009, our Deferred Compensation Plan. See "401(k) Plan" and "Nonqualified Deferred Compensation" under "Other Compensation and Benefit Plans" in the "Compensation Discussion and Analysis" for a description of these plans.

(2) Represents the payout of Mr. Bell's Retention Agreement.

(3) Represents total of (i) payments of Awards under our STIP for each year reported on and (ii) payments of Awards under our 2010 and 2011 LTIPs. The specific financial goals and performance objectives at corporate and business unit

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Table of Contents

levels of the STIP and the LTIP are described under "STIP" and "Long-Term Incentive Compensation (Management Equity Plan and LTIP)" in the "Compensation Discussion and Analysis." The amounts reported in this column include amounts deferred under our savings plan and, in 2009, Deferred Compensation Plan. See "401(k) Plan" and "Nonqualified Deferred Compensation" under "Other Compensation and Benefit Plans" in the "Compensation Discussion and Analysis" for a description of these plans.

The Awards paid or to be paid to each of the Named Executive Officers for 2011 under the two plans covered by this column were as follows:

Name	STIP	LTIP(a)
Thomas E. Carlile	\$ 294,000	\$ 283,500
Wayne M. Rancourt	80,850	70,875
Stanley R. Bell	81,428	113,400
Thomas A. Lovlien	97,020	85,050
John T. Sahlberg	56,700	48,600

(a) Under the terms of the 2011 LTIP, participants were paid only one-third of the 2011 Award in 2012, with the balance of the Award to be paid in equal installments by March 15 of 2013 and 2014, if they meet a vesting requirement that requires them to remain employed through the end of 2012 and 2013. Amounts awarded for 2010 and 2011 to Mr. Bell were not subject to the delayed vesting requirement because he met the requirements for retirement-eligible status under the plan. Consequently, Mr. Bell's total LTIP award for 2011 is reflected in the column. See the description of the plan under "Long-Term Incentive Compensation (Management Equity Plan and LTIP)" of the "Compensation Discussion and Analysis."

(4) Amounts disclosed in this column include the following:

Name	Year	Change in Pension Value(a)	Nonqualified Deferred Compensation Earnings(b)
Thomas E. Carlile	2011	\$ 318,365	\$ 7,584
	2010	126,683	7,421
	2009	199,065	11,478
Wayne M. Rancourt	2011	197,498	4,089
	2010	93,788	4,001
	2009	129,962	6,173
Stanley R. Bell	2011	156,995	16,529
	2010	37,396	16,174
	2009	112,840	24,101
Thomas A. Lovlien	2011	251,962	8,759
	2010	176,882	8,571
	2009	226,186	13,145
John T. Sahlberg	2011	136,744	5,776

(a) Pension benefits for officers are frozen and no additional benefits are being earned. The changes reported in this column reflect the changes in actuarial assumptions that increase the present value of their benefits under all pension plans established by the company using interest rate and mortality rate assumptions consistent with those used in the company's financial statements, including amounts which were distributed to such Officers during 2009 pursuant to amendments made to the SUPP and the SERP, which provided for distribution in December 2009 of amounts earned by participants in the SUPP and the SERP during 2009 to the extent such amounts were taxable pursuant to Internal Revenue Code Section 457A.

(b) The amounts reported in this column reflect the above-market portion of the interest earned on deferred compensation during the years in which they were Named Executive Officers. A portion of such above-market interest earned in 2009 was distributed to such Officers pursuant to amendments made to the Deferred Compensation Plan, which provided for distribution in December 2009 of amounts earned by

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Table of Contents

participants in the plan during 2009 to the extent such amounts were taxable pursuant to Internal Revenue Code Section 457A:

Name	Above-Market Earnings Refunded in 2009	
Thomas E. Carlile	\$	1,028
Wayne M. Rancourt		572
Stanley R. Bell		1,327
Thomas A. Lovlien		1,076

For more information concerning the pension plans and deferred compensation plans in which our Named Executive Officers participate, see "Defined Benefit Pension Benefits" and "Nonqualified Deferred Compensation" under "Other Compensation and Benefits Plans" in "Compensation Discussion and Analysis."

(5)

Amounts disclosed in this column include the following:

Name	Year	Company Contributions to Savings Plans(a)	Company-Paid Portion of Executive Officer Life Insurance(b)	Reportable Perquisites(c)	Tax Reimbursements, Gross-Ups and Other(d)
Thomas E. Carlile	2011	\$ 62,774	\$ 21,240	\$	\$ 4,662
Wayne M. Rancourt	2011	23,260	836		638
Stanley R. Bell	2011	25,500	10,564		1,135
Thomas A. Lovlien	2011	31,238	13,962		956
John T. Sahlberg	2011	18,997	1,529	20,652	51

(a)

See "401(k) Plan" under "Other Compensation and Benefit Plans" in "Compensation Discussion and Analysis" for a description of this plan. Amounts included in the contributions reported in this column that exceeded IRS annual limitations on company contributions to qualified defined contribution retirement plans were paid to the Named Executive Officer as taxable cash compensation.

(b)

See "Salaried Employee Life Insurance Plan and Supplemental Life Plan" under "Other Compensation and Benefit Plans" in "Compensation Discussion and Analysis" for a description of the company-paid life insurance plans under which these costs were incurred.

(c)

The company's costs for various perquisites provided to our Named Executive Officers are not reflected if they were less than \$10,000 in total. Mr. Sahlberg was given an Excellence Award, as well as a club membership.

(d)

The company provides a tax gross-up on the actual amount of the \$5,000 annual allowance for tax advice and planning.

Grants of Plan-Based Awards

Equity Awards

None of our Named Executive Officers received a grant of equity interests during 2011.

Table of Contents*Non-Equity Awards*

Estimated Future Payouts Under Non-Equity Incentive Awards					
Board					
Name	Approval Date	Grant Date	Threshold	Target	Maximum
Thomas E. Carlile					
STIP(1)	2/23/2011	3/31/2011	\$ 175,000	\$ 700,000	\$ 1,575,000
2011 LTIP(2)	2/23/2011	3/31/2011	350,000	700,000	1,400,000
Wayne M. Rancourt					
STIP(1)	2/23/2011	3/31/2011	48,125	192,500	433,125
2011 LTIP(2)	2/23/2011	3/31/2011	87,500	175,000	350,000
Stanley R. Bell					
STIP(1)	2/23/2011	3/31/2011	57,750	231,000	519,750
2011 LTIP(2)	2/23/2011	3/31/2011	105,000	210,000	420,000
Thomas A. Lovlien					
STIP(1)	2/23/2011	3/31/2011	57,750	231,000	519,750
2011 LTIP(2)	2/23/2011	3/31/2011	105,000	210,000	420,000
John T. Sahlberg					
STIP(1)	2/23/2011	3/31/2011	33,750	135,000	303,750
2011 LTIP(2)	2/23/2011	3/31/2011	60,000	120,000	240,000

- (1) Reflects the potential threshold, target and maximum incentive Awards for the Named Executive Officers possible for 2011 under our STIP. For further information on the terms of these incentive Awards, refer to "STIP" and "Long-Term Incentive Compensation (Management Equity Plan and LTIP)" in "Compensation Discussion and Analysis." The Named Executive Officers' actual incentive Awards earned in 2011 are disclosed in footnote 3 to the "Non-equity Incentive Plan Compensation" column of the "Summary Compensation Table." All Awards earned under this plan were paid in February 2012.
- (2) Reflects the potential threshold, target and maximum incentive Awards for the Named Executive Officers possible for 2011 under our 2011 LTIP. For further information on the terms of these incentive Awards, refer to "Long-Term Incentive Compensation (Management Equity Plan and LTIP)" in "Compensation Discussion and Analysis." The Named Executive Officers' actual incentive Awards earned in 2011 under this Plan are disclosed in footnote 3 to the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table." One-third of each Award earned under this plan for 2011 was paid in February 2012. The right to each of the two remaining one-third installments of such Awards will vest at year-end 2012 and year-end 2013 if the participant receiving the Award remains employed by the company through such date. Such deferred installments will be payable on or before March 15, 2013 and March 15, 2014, respectively. In addition, Mr. Bell was retirement-eligible under the terms of the plan and, accordingly, was fully vested in his Award at year-end 2011. The plan provided for an accelerated payment to him of 40% of the deferred installments of the Award, which was paid to him concurrently with the first installment of his Award. One-half of this additional current payment will be offset against each of the deferred installments when they become due. See the description of this plan in "LTIP" in "Long-Term Incentive Compensation (Management Equity Plan and LTIP)" in "Compensation Discussion and Analysis."

Table of Contents**Outstanding Equity Awards at Fiscal Year-End**

All outstanding equity awards held by our Named Executive Officers were fully vested as of year-end and no further grants of equity awards were made during 2011. For further information concerning the operation of our Management Equity Plan, see "MEP" in "Long-Term Incentive Compensation (Management Equity Plan and LTIP)" in "Compensation Discussion and Analysis."

Options Exercised and Stock Vested

No MEP shares vested in 2011.

Pension Benefits

Pension benefits for officers are frozen and no additional benefits are being earned. The following table reflects the present value of accumulated benefits payable to Messrs. Carlile, Rancourt, Bell, Lovlien and Sahlberg, including the number of years of service credited to each of them under our defined benefit pension plans. No amounts were distributed to any of them during 2011 under the SPP, the SUPP and the SERP. Mr. Sahlberg and Mr. Bell do not participate in the SERP. For more information concerning our pension plans, see "Defined Benefit Pension Benefits" under "Other Compensation and Benefit Plans" in "Compensation Discussion and Analysis."

Name	Plan Name	Number of Years Credited Service (#)(1)	Present Value of Accumulated Benefit \$(2)
Thomas E. Carlile	Salaried Pension Plan	37	\$ 1,527,098
	SUPP	37	1,280,093
	SERP	37	530,860
Wayne M. Rancourt	Salaried Pension Plan	25	442,467
	SUPP	25	145,509
	SERP	25	263,289
Stanley R. Bell	Salaried Pension Plan	39	1,975,505
	SUPP	39	1,388,393
Thomas A. Lovlien	Salaried Pension Plan	31	853,301
	SUPP	31	639,463
	SERP	31	726,300
John T. Sahlberg	Salaried Pension Plan	27	825,541
	SUPP	27	158,044

(1) Number of years credited service for Messrs. Carlile, Rancourt, Bell, Lovlien and Sahlberg include amounts attributable to employment with OfficeMax prior to the Forest Products acquisition.

(2) These values were calculated on the same basis and using the same assumptions used in the company's financial statements except that the assumed retirement age for Messrs. Carlile, Rancourt and Lovlien were the later of their current age or the earliest age at which they could qualify for retirement under the SERP. See Note 11, "Retirement and Benefit Plans," to our audited consolidated financial statements included elsewhere in this prospectus.

Table of Contents**Nonqualified Deferred Compensation**

Due to the application of Internal Revenue Code Section 457A to the company during 2011, no deferrals were made under the plan and no company contributions were made to the plan during the year. Earnings on preexisting plan balances continued to accrue during 2011 in accordance with the terms of the plan. No withdrawals or distributions were made from the plan by any of our Named Executive Officers during 2011. Aggregate earnings and year-end plan balances for each of our Named Executive Officers are disclosed in the table below:

Name	Aggregate Earnings in Last FY \$(1)	Aggregate Balance at FYE (\$)
Thomas E. Carlile	\$ 23,656	\$ 374,915
Wayne M. Rancourt	12,753	202,111
Stanley R. Bell	51,554	817,055
Thomas A. Lovlien	27,321	432,997
John T. Sahlberg	18,051	264,803

(1) The above-market portion of these amounts is included in the 2011 "Change in Pension Value and Nonqualified Deferred Compensation Earnings" column of the "Summary Compensation Table."

For more information concerning our nonqualified deferred compensation plan, see "Nonqualified Deferred Compensation" under "Other Compensation and Benefit Plans" in "Compensation Discussion and Analysis."

Potential Payments Upon Termination or Change in Control

The following tables reflect an estimate of the compensation the company would have been required to pay to each of its Named Executive Officers under the compensation plans, contracts, agreements and arrangements between each such individual and the company for:

Voluntary termination with good reason;

A change in control without adoption of a replacement plan;

Involuntary termination without cause;

For cause termination or voluntary termination without good reason;

Termination as a result of sale of a division;

Death; or

Disability

The amounts shown assume that such termination or change in control was effective as of December 31, 2011. The actual amounts the company would have been required to pay on other dates may only be determined at the time of separation from the company or the change in

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control and will accordingly vary from those disclosed here, which are based on a hypothetical December 31, 2011, termination. Our paid vacation is earned on a current basis ratably throughout each payroll year. Earned and unused amounts at year-end are forfeited to the extent they exceed a maximum permitted carry-over of 80 hours. The amounts disclosed here do not include amounts earned by the Named Executive Officer through that time as base salary, any bonuses approved by the compensation committee prior to that date and payments earned prior to that date as 2011 Awards earned pursuant

Table of Contents

to our STIP or current installments of 2011 Awards under our 2011 LTIP because neither their amount nor the timing of their payment is affected by the fact or the nature of the termination of employment. In addition, the disclosure does not include amounts payable pursuant to the 401(k), deferred compensation, or pension plans, which are disclosed elsewhere in this "Executive Compensation" section. Disclosure of amounts earned during 2011 as base salary, bonuses and Awards under the 2011 STIP may be found in the "Summary Compensation Table." Pension benefits and deferred compensation arrangements are described under the headings "Pension Benefits" and "Nonqualified Deferred Compensation" of this "Executive Compensation" section, respectively. The amounts disclosed do include future installments of Awards earned under the 2011 LTIP, to the extent vesting of such future installments is accelerated by the circumstances of the termination.

The availability of severance payments and continued healthcare and insurance benefits beyond termination of employment is contractually conditioned for each of our Named Executive Officers on their provision to the company of a release of claims arising from their employment and the termination thereof and their performance of contractual confidentiality, nonsolicitation and nondisparagement obligations contained in their employment or severance agreements with the company as well as payment of applicable contributions for healthcare and insurance benefits. The payments described in the tables and textual materials that follow are provided for, with respect to Messrs. Lovlien and Carlile, by the terms of their Severance Agreements and their Retention Award Agreements with the company; with respect to Messrs. Bell, Rancourt and Sahlberg, by their Severance Agreements with the company; and for all such Named Executive Officers, by the terms of the Management Equity Plan and the LTIP. For a description of these contractual arrangements, see "Long-Term Incentive Compensation (Management Equity Plan and LTIP) and "Agreements With and Potential Payments to, Named Executive Officers" in "Compensation Discussion and Analysis."

Table of Contents**Thomas E. Carlile**

Benefit	Voluntary Termination With Good Reason	Change in Control	Involuntary Termination Without Cause	For-Cause Termination or Voluntary Termination Without Good Reason	Death or Disability
Base Salary (2 × base salary of \$700,000)	\$ 1,400,000	\$	\$ 1,400,000	\$	\$
STIP	1,400,000 (2 × Target)	700,000 (1 × Target)	1,400,000 (2 × Target)		
LTIP					409,500
Retention Agreement Payment (1 × base salary of \$700,000 plus average of past 3 STIP payments)			1,042,860		88,410
Insurance premiums term life (for 24 months)	42,294		42,294		
Insurance healthcare, disability and accident (for 18 months)	11,914		11,914		
Financial counseling (for 18 months)	10,000		10,000		
Unused paid time off (80 hours)	26,923		26,923	26,923	26,923
Repurchase of management equity units					1,249,612
Total	\$ 2,891,131	\$ 700,000	\$ 3,933,991	\$ 26,923	\$ 1,774,445

Table of Contents**Wayne M. Rancourt**

Benefit	Voluntary Termination With Good Reason	Change in Control	Involuntary Termination Without Cause	For-Cause Termination or Voluntary Termination Without Good Reason	Death or Disability
Base Salary (2 × base salary of \$350,000)	\$ 700,000	\$	\$ 700,000	\$	\$
STIP	385,000 (2 × Target)	192,500 (1 × Target)	385,000 (2 × Target)		
LTIP					102,375
Insurance healthcare, disability and accident (for 18 months)	17,404		17,404		
Financial counseling (for 18 months)	15,000		15,000		
Unused paid time off (80 hours)	13,462		13,462	13,462	13,462
Repurchase of management equity units					203,648
Total	\$ 1,130,866	\$ 192,500	\$ 1,130,866	\$ 13,462	\$ 319,485

Table of Contents**Stanley R. Bell**

Benefit	Voluntary Termination With Good Reason	Change in Control	Involuntary Termination Without Cause	For-Cause Termination or Voluntary Termination Without Good Reason	Involuntary Termination in Connection With Sale of a Division	Retirement	Death or Disability
Base Salary (2 × base salary of \$420,000)	\$ 840,000	\$	\$ 840,000	\$	\$ 840,000	\$	\$
STIP	462,000 (2 × Target)	231,000 (1 × Target)	462,000 (2 × Target)		462,000 (2 × Target)		
LTIP						73,710	73,710
Insurance premiums term life (for 24 months)	20,948		20,948		20,948		
Insurance healthcare, disability and accident (for 18 months)	11,914		11,914		11,914		
Financial counseling (for 18 months)	15,000		15,000		15,000		
Unused paid time off (56 hours)	11,308		11,308	11,308	11,308	11,308	11,308
Repurchase of management equity units					1,041,116		1,041,116
Total	\$ 1,361,170	\$ 231,000	\$ 1,361,170	\$ 11,308	\$ 2,402,286	\$ 85,018	\$ 1,126,134

Table of Contents**Thomas A. Lovlien**

Benefit	Voluntary Termination With Good Reason	Change in Control	Involuntary Termination Without Cause	For-Cause Termination or Voluntary Termination Without Good Reason	Involuntary Termination in Connection With Sale of a Division	Disability
Base Salary (2 × base salary of \$420,000)	\$ 840,000	\$	\$ 840,000	\$	\$ 840,000	\$
STIP	462,000 (2 × Target)	231,000 (1 × Target)	462,000 (2 × Target)		462,000 (2 × Target)	
LTIP						122,850
Retention Agreement Payment (1 × base salary of \$420,000)			420,000		420,000	295,932
Insurance premiums term life (for 24 months)	27,737		27,737		27,737	
Insurance healthcare, disability and accident (for 18 months)	10,888		10,888		10,888	
Financial counseling (for 18 months)	15,000		15,000		15,000	
Unused paid time off (80 hours)	16,154		16,154	16,154	16,154	16,154
Repurchase of management equity units					511,473	511,473
Total	\$ 1,371,779	\$ 231,000	\$ 1,791,779	\$ 16,154	\$ 2,303,252	\$ 946,409

Table of Contents**John T. Sahlberg**

Benefit	Voluntary Termination With Good Reason	Change in Control	Involuntary Termination Without Cause	For-Cause Termination or Voluntary Termination Without Good Reason	Death or Disability
Base Salary (1 × base salary of \$300,000)	\$ 300,000	\$	\$ 300,000	\$	\$
STIP (1 × Target)	135,000	135,000	135,000		
LTIP					70,200
Insurance healthcare, disability and accident (for 12 months)	11,603		11,603		
Financial counseling (for 12 months)	10,000		10,000		
Unused paid time off (80 hours)	11,538		11,538	11,538	11,538
Repurchase of management equity units					122,155
Total	\$ 468,141	135,000	\$ 468,141	\$ 11,538	\$ 203,893

Director Compensation*Overview*

Since shortly after the company's inception, the company has included one or more directors on its board who are not employees of the company; its major investor, Madison Dearborn; or its significant minority investor, OfficeMax, in an effort to ensure that the deliberations of its board reflect a broader range of perspective and experience than are available solely from the chief executive officer of the company and OfficeMax and Madison Dearborn employees. During 2011, we had one such director Mr. Madigan. The compensation levels are believed by the compensation committee to be comparable to those paid by other companies of similar size for independent directors with comparable responsibilities.

Boise Cascade entered into an Employment Agreement with Mr. McDougall on November 20, 2008, pursuant to which he served as our chairman and chief executive officer. Mr. McDougall's Employment Agreement was amended in February 2009 and further amended upon his resignation from the position of chief executive officer in August 2009. Pursuant to the terms of the Employment Agreement, as amended (the Agreement), Mr. McDougall receives an annual base salary of \$180,000 per year as compensation for serving as a director and chairman of our board of directors. Under the terms of the Agreement, Mr. McDougall participates in dental and vision insurance plans that are the same as those available to other salaried employees and he received a company contribution to his 401(k) account on the same terms as other employees. He does not participate in any of the company's incentive compensation plans. The Employment Agreement also provides that the Employment Agreement may be terminated by either party on 30 days' notice.

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Table of Contents

Mr. Madigan does not have an employment contract. He receives compensation for acting as a member of our board of directors in the amount of an annual fee of \$50,000 per year and additional fees for each meeting of the board and each committee meeting attended of \$1,500 per meeting.

The compensation earned during 2011 by Messrs. McDougall and Madigan is set forth in the following table:

Name	Fees Earned or Paid in Cash(1)	Stock Awards(2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(3)	All Other Compensation(4)	Total
Duane C. McDougall	\$ 180,000			\$ 13,158	\$ 193,158
John W. Madigan	74,000		5,956		79,956

- (1) In addition to serving as a director, Mr. McDougall serves as the chairman of our board of directors.
- (2) No stock awards were made to any of our directors during 2011. Our directors are participants in our Directors Equity Plan, which is substantially similar to our Management Equity Plan (see "MEP" under "Long-Term Incentive Compensation (Management Equity Plan and 2011 LTIP)" in "Compensation Discussion and Analysis" for a description of our Management Equity Plan). Mr. Madigan and Mr. McDougall each received an award of our Series C equity units under the Directors Equity Plan in 2006. In addition, Mr. McDougall received a grant of our Series C equity units pursuant to our Management Equity Plan in 2009, when he served as our chief executive officer. The Series C equity units issued in 2006 have a threshold value of \$2.00 per unit and the Series C equity units issued in 2009 have a threshold equity value of \$1.30 per unit. A portion of Mr. McDougall's 2009 grant of Series C equity units was forfeited at the time of his August 2009 resignation from his position of chief executive officer and the balance of his 2009 Series C equity units became fully vested at such time. A portion of Mr. McDougall's 2006 Series C equity units was subject to a performance-vesting requirement, which was not satisfied on the December 31, 2010, determination date provided for in the Directors Equity Plan and were accordingly forfeited on such date.
- (3) We do not provide any of our directors with pension benefits. The amount reported in this column reflects the above-market portion of the interest Mr. Madigan earned during 2011 under our Directors Deferred Compensation Plan.
- (4) Company 401(k) contribution, company-provided life insurance and financial counseling allowance.

Directors Deferred Compensation Plan

We maintain a nonqualified Directors Deferred Compensation Plan, which allows each director who receives compensation for board service to defer all or a portion of such compensation in a calendar year. Amounts deferred are credited with imputed interest at a rate equal to 130% of Moody's Composite Average of Yields on Corporate Bonds. Participants may receive payment in cash in a lump sum or in annual installments following their service on the board. No director deferred any 2011 fees under this plan.

Director and Officer Indemnification and Limitation of Liability

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that we will indemnify our directors and officers to the fullest extent permitted by the DGCL.

Table of Contents

In addition, our certificate of incorporation will provide that our directors will not be liable for monetary damages for breach of fiduciary duty, except for liability (i) for any breach of the director's duty of loyalty to us or our stockholders or (ii) for acts or omissions not in good faith or acts or omissions that involve intentional misconduct or a knowing violation of law.

In addition, prior to the completion of this offering, we will enter into indemnification agreements with each of our executive officers and directors. The indemnification agreements will provide the executive officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under the DGCL.

There is no pending litigation or proceeding naming any of our directors or officers to which indemnification is being sought and we are not aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Table of Contents**SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information regarding the beneficial ownership of our common stock as of November 1, 2012 and after giving effect to the conversion of Boise Cascade, L.L.C. into a Delaware corporation and the anticipated beneficial ownership percentages immediately following this offering, by:

each person or group who is known by us to own beneficially more than 5% of our outstanding shares of our common stock;

each of our named executive officers;

each of our directors as of the completion of this offering; and

all of our executive officers and directors as a group.

Each stockholder's percentage ownership before the offering is based on _____ shares of our common stock outstanding as of November 1, 2012, as adjusted to give effect to the conversion discussed above. Each stockholder's percentage ownership after the offering is based on _____ shares of our common stock outstanding immediately after the completion of this offering. We have granted the underwriters an option to purchase up to _____ additional shares of our common stock and the table below assumes no exercise of that option.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting thereof, or to dispose or direct the disposition thereof or has the right to acquire such powers within 60 days. Common stock subject to options that are currently exercisable or exercisable within 60 days of November 1, 2012 are deemed to be outstanding and beneficially owned by the person holding the options. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Percentage of beneficial ownership is based on _____ shares of common stock to be outstanding after the completion of this offering, assuming no exercise of the option to purchase additional shares. Except as disclosed in the footnotes to this table and subject to applicable community property laws, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. We have not included in the following table the number of shares of common stock that certain of our executive officers and directors may be deemed to indirectly own as a result of being investors of FPH because none of such officers or directors exercise indirect voting or investment power with respect to the Boise Cascade common stock held by BC Holdings.

Name of Beneficial Owner	Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
		Prior to this Offering	After this Offering
5% Stockholders:			
Boise Cascade Holdings, L.L.C.(1)		100%	%
Named Executive Officers and Directors:			
Thomas E. Carlile(2)			
Stanley R. Bell(2)			
Thomas A. Lovlien(2)			
Wayne M. Rancourt(2)			
John T. Sahlberg(2)			
John W. Madigan(1)(3)			
Duane C. McDougall(2)			

Table of Contents

Name of Beneficial Owner	Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
		Prior to this Offering	After this Offering
Christopher J. McGowan(1)			
Samuel M. Menco(1)			
Matthew W. Norton(1)			
Thomas S. Souleles(1)			
All Executive Officers and Directors as a Group (12 Persons)			100%

*
Less than 1%.

- (1) FPH holds a majority of the voting common units of BC Holdings and has the right to appoint a majority of the members of the board of directors of BC Holdings. As such, FPH may be deemed to share voting and dispositive power with respect to the shares of Boise Cascade common stock held of record by BC Holdings. Madison Dearborn Capital Partners IV, L.P. ("MDCP IV") is the controlling equityholder of FPH. Madison Dearborn Partners IV, L.P. ("MDP IV") is the general partner of MDCP IV. Paul J. Finnegan and Samuel M. Menco are the sole members of a limited partner committee of MDP IV that has the power to vote or dispose of the equity units held by MDCP IV. The address for FPH, MDCP IV, MDP IV and Messrs. Menco, Norton and Souleles is c/o Madison Dearborn Partners, LLC, 70 W. Madison Street, Suite 4600, Chicago, Illinois 60602. Each of MDCP IV, MDP IV and Messrs. Finnegan and Menco may be deemed to share voting and dispositive power with respect to the shares of Boise Cascade common stock held of record by BC Holdings. Each of Messrs. McGowan, Madigan, Menco, Norton and Souleles has indirect pecuniary interests in the shares of Boise Cascade common stock held of record by BC Holdings through their investments in MDP IV and/or MDCP IV. Each expressly disclaims beneficial ownership of the shares of Boise Cascade common stock held of record by BC Holdings except to the extent of his pecuniary interest therein. The address for BC Holdings is c/o Boise Cascade Company, 1111 West Jefferson Street, Suite 300, Boise, Idaho 83702.
- (2) Messrs. Carlile, McDougall, Rancourt, Bell, Lovlien and Sahlberg are investors in FPH. None of the foregoing persons has direct or indirect voting or dispositive power with respect to the shares of Boise Cascade common stock held of record by BC Holdings.
- (3) Mr. Madigan is an investor in FPH but does not have direct or indirect voting or dispositive power with respect to the shares of Boise Cascade common stock held of record by BC Holdings.

Table of Contents

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Policy and Procedures Governing Related Party Transactions

Our policy regarding transactions with related persons requires that a "related person" (as defined in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to our general counsel any "related person transaction" (defined as any transaction that is reportable by us under Item 404(a) of Regulation S-K in which we are or will be a participant and the amount involved exceeds \$120,000 and in which any related person has or will have a direct or indirect material interest) in which such related person has or will have a direct or indirect material interest and all material facts with respect thereto. The general counsel will promptly communicate such information to our audit committee or another independent body of our board of directors. No related person transaction will be entered into without the approval or ratification of our audit committee or another independent body of our board of directors. It is our policy that directors interested in a related person transaction will recuse themselves from any such vote. Our policy does not specify the standards to be applied by our audit committee or another independent body of our board of directors in determining whether or not to approve or ratify a related person transaction and we accordingly anticipate that these determinations will be made in accordance with Delaware law.

OfficeMax and the Forest Products Acquisition

In 2004, FPH acquired the forest products and paper assets of OfficeMax. A portion of the consideration paid to OfficeMax was 109 million shares of BC Holdings' Series B equity units, which represented at September 30, 2012, 20.4% of BC Holdings' equity securities, with the remainder held by FPH. In connection with the Forest Products Acquisition, FPH and/or its subsidiaries (including us) entered into a number of agreements, including an asset purchase agreement, a securityholders agreement and a registration rights agreement with OfficeMax and/or its subsidiaries. Under the asset purchase agreement, OfficeMax indemnifies Boise Cascade for specified pre-closing liabilities, including environmental, asbestos, tax, benefits and other legacy liabilities.

Registration Rights Agreement

Prior to the consummation of this offering, we intend to enter into a registration rights agreement with BC Holdings, that will grant to BC Holdings certain demand and piggyback registration rights to BC Holdings with respect to shares of our common stock.

Nomination of our Directors

In connection with this offering, we will enter into a director nomination agreement with BC Holdings that provides BC Holdings the right to designate nominees for election to our board of directors for so long as BC Holdings owns 10% or more of the total number of shares of common stock outstanding. The number of nominees that BC Holdings is entitled to designate under this agreement will bear the same proportion to the total number of members of our board of directors as the number of shares of common stock beneficially owned by BC Holdings bears to the total number of shares of common stock outstanding, rounded up to the nearest whole number. In addition, BC Holdings shall be entitled to designate the replacement for any of its board designees whose board service terminates prior to the end of the director's term regardless of BC Holdings' beneficial ownership at such time. BC Holdings shall also have the right to have its designees participate on committees of our board of directors proportionate to its stock ownership, subject to compliance with applicable law and stock exchange rules. This agreement will terminate at such time as BC Holdings owns less than 10% of our outstanding common stock.

Table of Contents

Additional Transactions

During 2009, 2010 and 2011 we purchased \$0.4 million, \$0.3 million and \$0.3 million, respectively, of office supplies from OfficeMax.

Other

For a description of other relationships the company has with its directors and executive officers, refer to the "Management "and "Executive Compensation" sections of this prospectus.

DESCRIPTION OF CERTAIN INDEBTEDNESS

Revolving Credit Facility

On July 13, 2011, Boise Cascade, and its principal operating subsidiaries, Boise Cascade Wood Products, L.L.C., and Boise Cascade Building Materials Distribution, L.L.C., as borrowers, and Boise Cascade Wood Products Holdings Corp., as guarantor, entered into our senior secured revolving credit facility. As of September 30, 2012, aggregate lending commitments under our revolving credit facility totaled \$300.0 million. Our revolving credit facility has a maturity date of July 13, 2016.

As of September 30, 2012, we did not have any outstanding borrowings under our revolving credit facility other than outstanding letters of credit of approximately \$10.0 million, which reduced our borrowing capacity under our revolving credit facility by an equivalent amount. We funded the October 15, 2012 redemption of \$75.0 million of our senior subordinated notes, plus \$2.7 million of accrued and unpaid interest, using cash on hand and \$50.0 million of borrowings under our revolving credit facility.

Our revolving credit facility is secured by a first-priority security interest in substantially all of our assets constituting inventory, receivables, cash and other assets related to the foregoing. Such security interest does not include other property, plants and equipment. Borrowings under our revolving credit facility are constrained by a borrowing base formula dependent upon levels of eligible inventory and receivables and are reduced by outstanding borrowings and letters of credit ("Availability").

Interest rates under our revolving credit facility are based, at the company's election, on either the London Interbank Offered Rate ("LIBOR") or a base rate, as defined in the agreement, plus a spread over the index elected that ranges from 1.75% to 2.25% for loans based on LIBOR and from 0.75% to 1.25% for loans based on the base rate. The spread is determined on the basis of a pricing grid that results in a higher spread as average quarterly Availability declines. Letters of credit are subject to a 0.15% fronting fee payable to the issuing bank and a fee payable to the lenders equal to the LIBOR margin rate. In addition, the company is required to pay an unused commitment fee of 0.50% per annum of the average unused portion of the lending commitments. If we have utilized more than 40% of the commitments, the unused commitment fee percentage reduces to 0.375%.

Our revolving credit facility contains customary nonfinancial covenants, including restrictions on new indebtedness, issuance of liens, investments, distributions to equityholders, asset sales and affiliate transactions. Our revolving credit facility also contains a requirement that we meet a 1:1 fixed-charge coverage ratio ("FCCR") if Availability falls below the greater of \$31.25 million or 12.5% of the aggregate lending commitments. Availability exceeded the minimum threshold amounts required for testing of the FCCR at all times since entering into our revolving credit facility, and Availability at September 30, 2012, was \$259.4 million. At September 30, 2012, our aggregate liquidity from unrestricted cash and cash equivalents and unused borrowing capacity (net of the Availability threshold amount for testing of the FCCR, as applicable) under our revolving credit facility totaled \$483.3 million.

Our revolving credit facility generally permits dividends only if certain conditions are met, including complying with the minimum Availability requirements and having a fixed charged coverage ratio of 1:1 on a pro forma basis. Prior to the consummation of this offering, we intend to make a \$225.0 million cash distribution to BC Holdings, which will require a waiver from the lenders under our revolving credit facility. The waiver will also address changes to the financial ratios and other technical and consistency changes to our revolving credit facility in connection with the foregoing distribution, as further described in "Dividend Policy."

Table of Contents

Senior Notes

On October 22, 2012, the Co-issuers issued \$250.0 million of senior notes, through a private placement that is exempt from the registration requirements of the Securities Act. Interest on the senior notes is payable semiannually in arrears on May 1 and November 1, commencing on May 1, 2013. Net proceeds from such offering of senior notes were used to redeem \$144.6 million of the Co-issuers' 7¹/₈% senior subordinated notes due in 2014, including \$1.0 million of interest through the related redemption date of November 21, 2012. The remaining net proceeds are available for general corporate purposes.

As a result of this refinancing, we extended the maturity of a portion of our long-term debt and lowered the related interest rate. The senior notes are guaranteed by each of Boise Cascade's existing and future direct or indirect domestic subsidiaries that is a guarantor or co-borrower under our revolving credit facility, other than Boise Finance. The senior notes are also guaranteed by BC Holdings, until such time, if ever, that Boise Cascade's common stock is listed on any national securities exchange. In connection with the consummation of this offering, BC Holdings will cease to guarantee the Co-issuers' obligations under the senior notes and the related indenture.

In connection with the issuance of the senior notes, the Co-issuers entered into a related registration rights agreement. Such registration rights agreement requires us to register under the Securities Act the senior notes having substantially identical terms to those of the senior notes and to complete an exchange of the privately placed senior notes for the publicly registered notes on or prior to October 21, 2013 or, in certain circumstances, to file and keep effective a shelf registration statement for resale of the senior notes. If we fail to satisfy these obligations, we will pay additional interest up to 0.25% per annum to holders of the senior notes for the first 90-day period immediately following such date, and by an additional 0.25% per annum with respect to each subsequent 90-day period, up to a maximum rate of 1.0% per annum.

The senior notes are senior unsecured obligations and rank equally with all of the Co-issuers' and guarantors' existing and future senior indebtedness, senior to all of their existing and future subordinated indebtedness, effectively subordinated to all of their present and future senior secured indebtedness (including all borrowings with respect to our revolving credit facility to the extent of the value of the assets securing such indebtedness), and structurally subordinated to the indebtedness of any subsidiaries that do not guarantee the senior notes.

The terms of the indenture governing the senior notes, among other things, limit the ability of the Co-issuers and certain Boise Cascade subsidiaries to: incur additional debt; declare or pay dividends; redeem stock or make other distributions to stockholders; make investments; create liens on assets; consolidate, merge, or transfer substantially all of their assets; enter into transactions with affiliates and sell or transfer certain assets.

The indenture governing the senior notes provides for customary events of default, which include (subject in certain cases to customary grace and cure periods and notification requirements), among others: nonpayment of principal or interest; breach of other agreements in the indenture governing the senior notes; defaults in failure to pay certain other indebtedness; the rendering of judgments to pay certain amounts of money against the Co-issuers, the guarantors, or certain Boise Cascade subsidiaries; the failure of certain guarantees to be enforceable and certain events of bankruptcy or insolvency.

Table of Contents

DESCRIPTION OF CAPITAL STOCK

The following is a summary of our capital stock and provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, as each will be in effect prior to the closing of this offering, and certain provisions of Delaware law. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been or will be filed with the SEC as exhibits to the registration statement of which this prospectus is a part. References in this section to the "Company," "we," "us" and "our" refer to Boise Cascade Company and not to any of its subsidiaries.

Authorized Capitalization

Our amended and restated certificate of incorporation will provide that our authorized capital stock will consist of 200,000,000 shares of common stock, par value \$0.01 per share and 50,000,000 shares of undesignated preferred stock, par value \$0.01 per share. As of September 30, 2012, after giving effect to the conversion of Boise Cascade, L.L.C. into a Delaware corporation and the issuance and sale of shares of common stock in this offering, we will have _____ shares of common stock outstanding and no shares of preferred stock outstanding. As of September 30, 2012, BC Holdings was the only holder of record of our equity interests.

Common Stock

Voting Rights

Each share of common stock entitles the holder to one vote with respect to each matter presented to our stockholders on which the holders of common stock are entitled to vote. Our common stock votes as a single class on all matters relating to the election and removal of directors on our board of directors and as provided by law. Holders of our common stock will not have cumulative voting rights. Except in respect of matters relating to the election and removal of directors on our board of directors and as otherwise provided in our amended and restated certificate of incorporation or required by law, all matters to be voted on by our stockholders must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter. In the case of election of directors, all matters to be voted on by our stockholders must be approved by a plurality of the votes entitled to be cast by all shares of common stock.

Dividend Rights

The holders of our outstanding shares of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. See "Dividend Policy." Because we are a holding company, our ability to pay dividends on our common stock is limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions to us, including restrictions under the terms of the agreements governing our indebtedness.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, holders of our common stock would be entitled to share ratably in our assets that are legally available for distribution to stockholders after payment of our debts and other liabilities. If we have any preferred stock outstanding at such time, holders of the preferred stock may be entitled to distribution and/or liquidation preferences. In either such case, we must pay the applicable distribution to the holders of our preferred stock before we may pay distributions to the holders of our common stock.

Table of Contents

Other Rights

Our stockholders will have no preemptive, conversion or other rights to subscribe for additional shares. All outstanding shares are and all shares registered by this prospectus will be, when sold, validly issued, fully paid and nonassessable. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Listing

We intend to apply to have our common stock approved for listing on the NYSE under the symbol "BCC."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be

Preferred Stock

Our amended and restated certificate of incorporation will authorize our Board of Directors to provide for the issuance of shares of preferred stock in one or more series and to fix the preferences, powers and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof, including the dividend rate, conversion rights, voting rights, redemption rights and liquidation preference and to fix the number of shares to be included in any such series without any further vote or action by our stockholders. Any preferred stock so issued may rank senior to our common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or both. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders and may adversely affect the voting and other rights of the holders of common stock. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of common stock, including the loss of voting control to others. At present, we have no plans to issue any preferred stock.

Board Composition

Following the completion of this offering, the issuer will be deemed to be a "controlled company" under the rules of the stock exchange on which the ordinary shares are listed because more than 50% of its outstanding voting power will be held by BC Holdings. See "Security Ownership by Certain Beneficial Owners and Management." The issuer intends to rely upon the "controlled company" exception to the board of directors and committee independence requirements under such stock exchange. Pursuant to this exception, the issuer will be exempt from the rules that would otherwise require that its board of directors consist of a majority of independent directors and that its compensation committee and governance and nominating committee be composed entirely of independent directors. The "controlled company" exception does not modify the independence requirements for the audit committee, and the issuer intends to comply with the requirements of the Sarbanes-Oxley Act and the stock exchange rules, which require that its audit committee consist exclusively of independent directors within one year of our initial public offering.

Prior to the completion of this offering, those directors identified in "Management Executive Officers, Key Management and Directors" who are currently serving as directors of BC Holdings will be appointed to the issuer's board of directors.

Upon the completion of this offering, our board of directors will be divided into three classes, as nearly equal in number as possible, with each director serving a three-year term and one class being

Table of Contents

elects at each year's annual meeting of stockholders. Messrs. _____ and _____ will be in the class of directors whose term expires at the 2012 annual meeting of our stockholders. Messrs. _____ and _____ will be in the class of directors whose term expires at the 2013 annual meeting of our stockholders. Messrs. _____, _____ and _____ will be in the class of directors whose term expires at the 2014 annual meeting of our stockholders. At each annual meeting of our stockholders, successors to the class of directors whose term expires at such meeting will be elected to serve for three-year terms or until their respective successors are elected and qualified.

Corporate Opportunity

Messrs. Mencoff, Norton and Soueleles, who are officers or employees of Madison Dearborn, serve on our board of directors. Madison Dearborn is the ultimate principal equityholder of BC Holdings, our majority stockholder (after giving effect to this offering). Madison Dearborn and entities controlled by them may hold equity interests in entities that directly or indirectly compete with us, and companies in which they currently invest may begin competing with us. As a result of these relationships, when conflicts between the interests of Madison Dearborn, on the one hand, and of other stockholders, on the other hand, arise, these directors may not be disinterested. Although our directors and officers have a duty of loyalty to us under Delaware law and our amended and restated certificate of incorporation that will be adopted in connection with this offering, transactions that we enter into in which a director or officer has a conflict of interest are generally permissible so long as (1) the material facts relating to the director's or officer's relationship or interest as to the transaction are disclosed to our board of directors and a majority of our disinterested directors approves the transaction, (2) the material facts relating to the director's or officer's relationship or interest as to the transaction are disclosed to our stockholders and a majority of our disinterested stockholders approve the transaction or (3) the transaction is otherwise fair to us. Our amended and restated certificate of incorporation will also provide that Madison Dearborn and its representatives will not be required to offer any transaction opportunity of which they become aware to us and could take any such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is offered to them solely in their capacities as our directors.

Anti-takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation and bylaws will also contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor.

Undesignated Preferred Stock

The ability to authorize undesignated preferred stock will make it possible for our board of directors to issue preferred stock with super voting, special approval, dividend or other rights or preferences on a discriminatory basis that could impede the success of any attempt to acquire us. These and other provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of our company.

Classified Board of Directors

Our amended and restated certificate of incorporation will provide that our board of directors will be divided into three classes, with each class serving three-year staggered terms. In addition, under

Table of Contents

the DGCL, directors serving on a classified board of directors may only be removed from the board of directors with cause and by an affirmative vote of the majority of our common stock. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of our company.

Special Meetings of Stockholders

Our amended and restated certificate of incorporation will provide that special meetings of the stockholders may be called only upon a resolution approved by a majority of our board of directors then in office.

Requirements for Nominations and Proposals at Stockholder Meetings

Our amended and restated bylaws will prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. Our amended and restated bylaws will also provide that nominations of persons for election to our board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the notice of meeting (1) by or at the direction of our board of directors or (2) provided that our board of directors has determined that directors shall be elected at such meeting, by any stockholder who (i) is a stockholder of record both at the time the notice is delivered and on the record date for the determination of stockholders entitled to vote at the special meeting, (ii) is entitled to vote at the meeting and upon such election and (iii) complies with the notice procedures set forth in our amended and restated bylaws. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of our company.

Stockholder Action by Written Consent

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our company's amended and restated certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will provide that any action required or permitted to be taken by our stockholders may be, until such time as Madison Dearborn ceases to beneficially own 50% or more of our common stock, effected by consent in writing by such stockholders.

Business Combinations with Interested Stockholders

We will elect in our amended and restated certificate of incorporation not to be subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with a person or group owning 15% or more of the corporation's voting stock for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we will not be subject to any anti-takeover effects of Section 203. However, our amended and restated certificate of incorporation will contain provisions that have the same effect as Section 203, except that they will provide that both Madison Dearborn and any persons to whom Madison Dearborn sells their common stock will be deemed to have been approved by our board of directors and thereby not subject to the restrictions set forth in our amended and restated certificate of incorporation that have the same effect as Section 203.

Table of Contents

Requirements for Amendments to our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Our certificate of incorporation will provide that our amended and restated bylaws may be adopted, amended, altered or repealed by (i) the vote of a majority of directors then in office or (ii) the vote of 66²/₃% of holders of all of our outstanding capital stock entitled to vote generally in the election of directors.

Our amended and restated certificate of incorporation will provide that Articles _____ may only be amended, altered, changed or repealed by the affirmative vote of the holders of at least 66²/₃% of the voting power of all of our outstanding shares of capital stock entitled to vote generally in the election of directors. Our amended and restated certificate of incorporation will also provide that Article _____, which deals with corporate opportunity, may only be amended, altered or repealed by a vote of 80% of the voting power of all of our shares of common stock then outstanding.

Table of Contents

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of our common stock in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of our common stock. No prediction can be made as to the effect, if any, future sales of shares, or the availability of shares for future sales, will have on the market price of our common stock prevailing from time to time. The sale of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of our common stock.

Rule 144

In general, under Rule 144 of the Securities Act as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

1% of the number of shares of common stock then outstanding; or

the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Rule 144 also provides that a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale and who has for at least six months beneficially owned shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock subject only to the availability of current public information regarding us. A person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale and who has beneficially owned for at least one year shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock under Rule 144 without regard to the current public information requirements of Rule 144.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144.

Stock Plans

We intend to file registration statements on Form S-8 under the Securities Act covering all of the shares of our common stock reserved for issuance under the 2013 Equity Incentive Plan we intend to adopt in connection with this offering. We expect to file this registration statement as soon as

Table of Contents

practicable after this offering and adoption of the 2013 Equity Incentive Plan. Accordingly, shares registered under the registration statement on Form S-8 will be available for sale in the open market following its effective date, subject to the Rule 144 limitations applicable to affiliates.

Lock-Up Agreements

In connection with this offering, we, our executive officers, directors and certain of our stockholders (whose common stock represents substantially all of our pre-offering shares) will enter into 180-day lock-up agreements with the underwriters of this offering under which neither we nor they may, for a period of 180 days after the date of this prospectus, directly or indirectly sell, dispose of or hedge any shares of common stock or any securities convertible into or exchangeable or exercisable for shares of common stock without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co. on behalf of the underwriters.

Table of Contents

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of our common stock to a non-U.S. holder that purchases shares of our common stock in this offering. This summary applies only to a non-U.S. holder that holds our common stock as a capital asset, within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). For purposes of this summary, a "non-U.S. holder" means any beneficial owner of our common stock other than:

an individual citizen or resident of the United States, as defined for U.S. federal income tax purposes;

a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organized in the United States or under the laws of the United States or any political subdivision thereof;

an estate whose income is subject to U.S. federal income tax regardless of its source; or

a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in place to be treated as a U.S. person for U.S. federal income tax purposes.

In the case of a holder that is classified as a partnership for U.S. federal income tax purposes, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partner and the partnership. If you are a partner in a partnership considering an investment in our common stock, then you should consult your own tax advisor.

This summary is based upon the provisions of the Code, the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. We cannot assure you that a change in law, possibly with retroactive application, will not alter significantly the tax considerations that we describe in this summary. We have not sought and do not plan to seek any ruling from the U.S. Internal Revenue Service, which we refer to as the IRS, with respect to statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with our statements and conclusions.

This summary does not address all aspects of U.S. federal income taxes that may be relevant to non-U.S. holders in light of their personal circumstances, and does not deal with federal taxes other than the U.S. federal income tax (such as U.S. federal estate and gift tax laws or the Medicare tax on certain investment income) or with non-U.S., state or local tax considerations. Special rules, not discussed here, may apply to certain non-U.S. holders, including:

former citizens or residents of the U.S.;

brokers, dealers or traders in securities, commodities or currencies;

persons who hold our common stock as a position in a "straddle," "conversion transaction" or other risk reduction transaction;

controlled foreign corporations, passive foreign investment companies, or corporations that accumulate earnings to avoid U.S. federal income tax;

tax-exempt organizations;

banks, insurance companies, or other financial institutions; and

investors in pass-through entities that are subject to special treatment under the Code.

Table of Contents

Such non-U.S. holders should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

If you are considering the purchase of our common stock, you should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of our common stock, as well as the consequences to you arising under U.S. tax laws other than the federal income tax law or under the laws of any other taxing jurisdiction.

Dividends

As discussed under the section entitled "Dividend Policy" above, we do not currently anticipate paying dividends. In the event that we do make a distribution of cash or property (other than certain stock distributions) with respect to our common stock (or certain redemptions that are treated as distributions with respect to common stock), any such distributions will be treated as a dividend for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Dividends paid to you generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by you within the U.S. are not subject to the withholding tax, but instead are subject to U.S. federal income tax on a net income basis at applicable graduated individual or corporate rates, unless an applicable income tax treaty provides otherwise. Certain certification and disclosure requirements, including delivery of a properly executed IRS Form W-8ECI, must be satisfied for effectively connected income to be exempt from withholding. Any such effectively connected dividends received by a foreign corporation may be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If the amount of a distribution paid on our common stock exceeds our current and accumulated earnings and profits, such excess will be allocated ratably among each share of common stock with respect to which the distribution is paid and treated first as a tax-free return of capital to the extent of your adjusted tax basis in each such share, and thereafter as capital gain from a sale or other taxable disposition of such share of common stock that is taxed to you as described below under the heading "Gain on Disposition of Common Stock." Your adjusted tax basis in a share is generally the purchase price of such share, reduced by the amount of any such tax-free returns of capital

If you wish to claim the benefit of an applicable treaty rate to avoid or reduce withholding of U.S. federal income tax for dividends, then you must (a) provide the withholding agent with a properly completed IRS Form W-8BEN (or other applicable form) and certify under penalties of perjury that you are not a U.S. person and are eligible for treaty benefits, or (b) if our common stock is held through certain foreign intermediaries, satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that act as intermediaries (including partnerships).

If you are eligible for a reduced rate of U.S. federal income tax pursuant to an income tax treaty, then you may obtain a refund or credit of any excess amounts withheld by filing timely an appropriate claim with the IRS.

Gain on Disposition of Common Stock

You generally will not be subject to U.S. federal income tax with respect to gain realized on the sale or other taxable disposition of our common stock, unless:

the gain is effectively connected with a trade or business you conduct in the U.S., and, where a tax treaty applies, is attributable to a U.S. permanent establishment;

Table of Contents

if you are an individual, you are present in the U.S. for 183 days or more in the taxable year of the sale or other taxable disposition and certain other conditions are met; or

we are or have been during a specified testing period a "U.S. real property holding corporation" for U.S. federal income tax purposes, and certain other conditions are met.

We believe that we are not, and we do not anticipate becoming, a "U.S. real property holding corporation" for U.S. federal income tax purposes. Even if we are or become a U.S. real property holding corporation, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain in respect of our common stock as long as our common stock is traded on an established securities market and such non-U.S. holder actually or constructively owned no more than 5% of our common stock during the specified testing period. If we are or become a U.S. real property holding corporation and you actually or constructively owned more than 5% of our common stock at any time during the specified testing period, you will be subject to tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates. If you are a person described in the first bullet point above, you will be subject to tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates. In addition, a non-U.S. holder corporation may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty. If you are an individual described in the second bullet point above, you will be subject to a flat 30% tax on the gain derived from the sale, which may be offset by U.S. source capital losses.

Information Reporting and Backup Withholding

We must report annually to the IRS and to you the amount of dividends paid to you and the amount of tax, if any, withheld with respect to such dividends. The IRS may make this information available to the tax authorities in the country in which you are resident.

In addition, you may be subject to information reporting requirements and backup withholding (currently at a rate of 28% and scheduled to increase to 31% in 2013) with respect to dividends paid on, and the proceeds of disposition of, shares of our common stock, unless, generally, you certify under penalties of perjury (usually on IRS Form W-8BEN) that you are not a U.S. person or you otherwise establish an exemption. Additional rules relating to information reporting requirements and backup withholding with respect to payments of the proceeds from the disposition of shares of our common stock are as follows:

If the proceeds are paid to or through the U.S. office of a broker, the proceeds generally will be subject to backup withholding and information reporting, unless you certify under penalties of perjury (usually on IRS Form W-8BEN) that you are not a U.S. person or you otherwise establish an exemption.

If the proceeds are paid to or through a non-U.S. office of a broker that is not a U.S. person and is not a foreign person with certain specified U.S. connections (a "U.S.-related person"), information reporting and backup withholding generally will not apply.

If the proceeds are paid to or through a non-U.S. office of a broker that is a U.S. person or a U.S.-related person, the proceeds generally will be subject to information reporting (but not to backup withholding), unless you certify under penalties of perjury (usually on IRS Form W-8BEN) that you are not a U.S. person or you otherwise establish an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your U.S. federal income tax liability, provided the required information is timely furnished by you to the IRS.

Table of Contents

Legislation Affecting Taxation of Common Stock Held By or Through Foreign Entities

In addition to the withholding discussed above, legislation enacted in 2010 generally will impose a withholding tax of 30 percent on dividend income from our common stock and the gross proceeds of a disposition of our common stock paid to a "foreign financial institution" (as defined in the legislation), unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). Absent any applicable exception, this legislation also generally will impose a withholding tax of 30 percent on dividend income from our common stock and the gross proceeds of a disposition of our common stock paid to a foreign entity that is not a foreign financial institution unless such entity provides the withholding agent with a certification identifying the substantial U.S. owners of the entity, which generally includes any U.S. person who directly or indirectly own more than 10 percent of the entity. Under certain circumstances, a non-U.S. holder of our common stock might be eligible for refunds or credits of such taxes, and a non-U.S. holder might be required to file a U.S. federal income tax return to claim such refunds or credits. Recently issued administrative guidance delayed the implementation of withholding (i) on dividend income until January 1, 2014 and (ii) on gross proceeds from the disposition of stock until January 1, 2017. Investors are encouraged to consult with their own tax advisors regarding the implications of this legislation on their investment in our common stock.

THE SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES ABOVE IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY. POTENTIAL PURCHASERS OF OUR COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSIDERATIONS OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON STOCK.

Table of Contents**UNDERWRITING**

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co. are acting as representative of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Goldman, Sachs & Co.	
Deutsche Bank Securities Inc.	
J.P. Morgan Securities LLC	
Wells Fargo Securities, LLC	

Total

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover of this prospectus and to dealers at that price less a concession not in excess of \$ _____ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	\$	\$	\$
Underwriting discount	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

The expenses of the offering, not including the underwriting discount, are estimated at \$ _____ and are payable by us.

Table of Contents

Option to Purchase Additional Shares

We have granted an option to the underwriters to purchase up to _____ additional shares at the public offering price, less the underwriting discount. The underwriters may exercise this option for 30 days from the date of this prospectus. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table

No Sales of Similar Securities

We, our executive officers and directors and our existing securityholders have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

offer, pledge, sell or contract to sell any common stock;

sell any option or contract to purchase any common stock;

purchase any option or contract to sell any common stock;

grant any option, right or warrant for the sale of any common stock;

otherwise dispose of or transfer any common stock; or

enter into any swap or other agreement or transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition. In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event, unless Merrill Lynch, Pierce, Fenner & Smith Incorporated waives, in writing, such extension.

NYSE Listing

We expect the shares to be approved for listing on the NYSE under the symbol "BCC." In order to meet the requirements for listing on that exchange, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by that exchange.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

the valuation multiples of publicly traded companies that the representative believes to be comparable to us;

Table of Contents

our financial information

the history of, and the prospects for, our company and the industry in which we compete;

an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues;

the present state of our development; and

the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares. "Naked" short sales are sales in excess of the option to purchase additional shares. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our

Table of Contents

common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Shares

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as email.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. Each of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman, Sachs & Co. and Wells Fargo Securities, LLC was an initial purchaser of our senior notes and may continue to hold a portion of such notes. In addition, an affiliate of Wells Fargo Securities, LLC serves as an agent under our revolving credit facility and an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated serves as the syndication agent and lender under our revolving credit facility. An affiliate of J.P. Morgan Securities LLC is a lender under our revolving credit facility.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Relationship with Solebury Capital LLC

We have engaged Solebury Capital LLC, or Solebury, a FINRA member, to provide certain financial consulting services (which do not include underwriting services) in connection with this offering. We agreed to pay Solebury, only upon successful completion of this offering, a fee of \$375,000, plus an incentive fee of up to \$50,000 payable at the sole discretion of Boise Cascade. Pursuant to the terms of the engagement, we have agreed to indemnify Solebury, subject to certain conditions. Solebury's services include advice with respect to deal structuring, fee and economics recommendations, and preparation of presentation materials. Solebury is not acting as an underwriter and has no contact with any public or institutional investor pursuant to this engagement. In addition, Solebury will not underwrite or purchase any of our common stock in this offering or otherwise participate in any such undertaking.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), no offer of shares may be made to the public in that Relevant Member State other than:

- A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

Table of Contents

- B. to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or
- C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that (A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive, and (B) in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" as defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale. In the case of any shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This prospectus has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Table of Contents

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interests in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Table of Contents

Notice to Prospective Investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Switzerland

We have not and will not register with the Swiss Financial Market Supervisory Authority ("FINMA") as a foreign collective investment scheme pursuant to Article 119 of the Federal Act on Collective Investment Scheme of 23 June 2006, as amended ("CISA"), and accordingly the securities being offered pursuant to this prospectus have not and will not be approved, and may not be licenseable, with FINMA. Therefore, the securities have not been authorized for distribution by FINMA as a foreign collective investment scheme pursuant to Article 119 CISA and the securities offered hereby may not be offered to the public (as this term is defined in Article 3 CISA) in or from Switzerland. The securities may solely be offered to "qualified investors," as this term is defined in Article 10 CISA, and in the circumstances set out in Article 3 of the Ordinance on Collective Investment Scheme of 22 November 2006, as amended ("CISO"), such that there is no public offer. Investors, however, do not benefit from protection under CISA or CISO or supervision by FINMA. This prospectus and any other materials relating to the securities are strictly personal and confidential to each offeree and do not constitute an offer to any other person. This prospectus may only be used by those qualified investors to whom it has been handed out in connection with the offer described herein and may neither directly or indirectly be distributed or made available to any person or entity other than its recipients. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland or from Switzerland. This prospectus does not constitute an issue prospectus as that term is understood pursuant to Article 652a and/or 1156 of the Swiss Federal Code of Obligations. We have not applied for a listing of the securities on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

Notice to Prospective Investors in the Dubai International Financial Centre

This document relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This document is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken steps to verify the information set forth in it and has no responsibility for it. The shares to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorized financial advisor.

Table of Contents

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for us by Kirkland & Ellis LLP (a partnership that includes professional corporations), Chicago, Illinois. The underwriters have been represented by Winston & Strawn LLP, Chicago, Illinois. Kirkland & Ellis LLP has from time to time represented and may continue to represent, Madison Dearborn and some of its affiliates in connection with various legal matters. Certain partners of Kirkland & Ellis LLP are members of a limited partnership that is an investor in one or more investment funds affiliated with Madison Dearborn.

EXPERTS

The consolidated financial statements of Boise Cascade, L.L.C. and its subsidiaries as of December 31, 2010 and 2011, and for each of the years in the three-year period ended December 31, 2011, have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a Registration Statement on Form S-1 with the SEC with respect to our common stock being distributed as contemplated by this prospectus. This prospectus is a part of and does not contain all of the information set forth in, the Registration Statement and the exhibits and schedules to the Registration Statement. For further information with respect to the Company and our common stock, please refer to the Registration Statement, including its exhibits and schedules. Statements made in this prospectus relating to any contract or other document are not necessarily complete and you should refer to the exhibits attached to the Registration Statement for copies of the actual contract or document. You may read and copy all materials that we file with the SEC, including the Registration Statement and its exhibits and schedules, at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549, as well as on the Internet website maintained by the SEC at www.sec.gov. Please call the SEC at 1-800-SEC-0330 for more information on the public reference room. Information contained on any website referenced in this prospectus does not and will not constitute a part of this prospectus or the Registration Statement on Form S-1 of which this prospectus is a part.

In addition, we will file periodic reports and other information with the SEC.

You may request a copy of any of our filings with the SEC at no cost, by writing or telephoning us at the following address:

Boise Cascade, L.L.C.
1111 West Jefferson Street
Suite 300
Boise, Idaho 83702-5389

You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this prospectus.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Unaudited Quarterly Consolidated Financial Statements	
<u>Consolidated Statements of Income (Loss) for the three and nine month periods ended September 30, 2012 and 2011</u>	<u>F-2</u>
<u>Consolidated Statements of Comprehensive Income (Loss) for the three and nine month periods ended September 30, 2012 and 2011</u>	<u>F-3</u>
<u>Consolidated Balance Sheets at September 30, 2012 and December 31, 2011</u>	<u>F-4</u>
<u>Consolidated Statements of Cash Flows for the nine month periods ended September 30, 2012 and 2011</u>	<u>F-6</u>
<u>Condensed Notes to Unaudited Quarterly Consolidated Financial Statements</u>	<u>F-7</u>
Audited Consolidated Financial Statements	
<u>Report of Independent Registered Public Accounting Firm</u>	<u>F-33</u>
<u>Consolidated Statements of Income (Loss) for the years ended December 31, 2011, 2010 and 2009</u>	<u>F-34</u>
<u>Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2011, 2010 and 2009</u>	<u>F-35</u>
<u>Consolidated Balance Sheets at December 31, 2011 and 2010</u>	<u>F-36</u>
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2011, 2010 and 2009</u>	<u>F-38</u>
<u>Consolidated Statements of Capital for the years ended December 31, 2011, 2010 and 2009</u>	<u>F-39</u>
<u>Notes to Consolidated Financial Statements</u>	<u>F-40</u>

Table of Contents**Boise Cascade, L.L.C.****Consolidated Statements of Income (Loss)**

(unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
	(thousands, except for per share data)			
Sales				
Trade	\$ 759,330	\$ 623,199	\$ 2,069,804	\$ 1,687,037
Related party	5,266	4,787	14,678	13,609
	764,596	627,986	2,084,482	1,700,646
Costs and expenses				
Materials, labor, and other operating expenses	638,994	538,794	1,751,152	1,475,847
Materials, labor, and other operating expenses from related party	14,131	12,346	44,704	31,140
Depreciation and amortization	8,461	9,352	24,918	27,500
Selling and distribution expenses	62,572	55,346	176,854	153,332
General and administrative expenses	12,185	10,299	31,922	28,456
Other (income) expense, net	121	(298)	406	2,341
	736,464	625,839	2,029,956	1,718,616
Income (loss) from operations	28,132	2,147	54,526	(17,970)
Foreign exchange gain (loss)	228	(936)	125	(596)
Interest expense	(4,840)	(5,001)	(14,471)	(14,174)
Interest income	87	91	281	314
	(4,525)	(5,846)	(14,065)	(14,456)
Income (loss) before income taxes	23,607	(3,699)	40,461	(32,426)
Income tax provision	(104)	(12)	(243)	(146)
Net income (loss)	\$ 23,503	\$ (3,711)	\$ 40,218	\$ (32,572)
Pro forma net income per share (Note 11, unaudited)			\$	

Pro forma weighted average shares outstanding (Note 11, unaudited)

See accompanying condensed notes to unaudited quarterly consolidated financial statements.

Table of Contents**Boise Cascade, L.L.C.****Consolidated Statements of Comprehensive Income (Loss)**

(unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
	(thousands)			
Net income (loss)	\$ 23,503	\$ (3,711)	\$ 40,218	\$ (32,572)
Other comprehensive income				
Defined benefit pension plans				
Amortization of actuarial loss	1,824	643	5,808	2,067
Amortization of prior service costs and other	41	44	124	159
Other comprehensive income	1,865	687	5,932	2,226
Comprehensive income (loss)	\$ 25,368	\$ (3,024)	\$ 46,150	\$ (30,346)

See accompanying condensed notes to unaudited quarterly consolidated financial statements.

F-3

Table of Contents**Boise Cascade, L.L.C.****Consolidated Balance Sheets**

(unaudited)

	Pro Forma September 30, 2012 (Note 11)	September 30, 2012 (thousands)	December 31, 2011
ASSETS			
Current			
Cash and cash equivalents	\$ 45,656	\$ 224,418	\$ 182,455
Receivables			
Trade, less allowances of \$2,894 and \$2,142	172,498	172,498	118,901
Related parties	506	506	1,236
Other	4,687	4,687	3,796
Inventories	318,577	318,577	283,978
Prepaid expenses and other	8,457	8,457	4,864
Deferred income taxes	1,693		
	552,074	729,143	595,230
Property and equipment, net	263,671	263,671	266,456
Timber deposits	6,338	6,338	8,327
Deferred financing costs	7,776	3,843	4,962
Goodwill	12,170	12,170	12,170
Intangible assets, net	8,900	8,900	8,900
Other assets	7,405	7,405	6,786
Total assets	\$ 858,334	\$ 1,031,470	\$ 902,831

See accompanying condensed notes to unaudited quarterly consolidated financial statements.

Table of Contents**Boise Cascade, L.L.C.****Consolidated Balance Sheets (Continued)**

(unaudited)

	Pro Forma September 30, 2012 (Note 11)	September 30, 2012	December 31, 2011
(thousands, except for per share and unit data)			
LIABILITIES AND CAPITAL			
Current			
Current portion of long-term debt	\$	\$ 25,000	\$
Accounts payable			
Trade	165,753	165,753	116,758
Related parties	1,922	1,922	1,142
Accrued liabilities			
Compensation and benefits	59,950	59,950	32,267
Interest payable	4,578	7,250	3,326
Other	31,616	31,616	24,486
	263,819	291,491	177,979
Debt			
Long-term debt, less current portion	275,000	194,560	219,560
Other			
Compensation and benefits	196,589	196,589	200,248
Other long-term liabilities	14,105	14,105	13,676
Deferred income taxes	5,722		
	216,416	210,694	213,924
Redeemable equity units		8,515	8,749
Commitments and contingent liabilities			
Capital/stockholders' equity			
Equity units, 1,000 units authorized, issued, and outstanding, actual; no units authorized, issued, and outstanding, pro forma		441,123	403,464
Preferred stock, \$0.01 par value per share; no shares authorized, no shares issued and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma			
Common stock, \$0.01 par value per share; no shares authorized, no shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma			
Additional paid-in capital	222,041		
Accumulated other comprehensive loss	(114,913)	(114,913)	(120,845)
Accumulated deficit	(4,029)		
Total capital/stockholders' equity	103,099	326,210	282,619
Total liabilities and capital/stockholders' equity	\$ 858,334	\$ 1,031,470	\$ 902,831

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See accompanying condensed notes to unaudited quarterly consolidated financial statements.

F-5

Table of Contents**Boise Cascade, L.L.C.****Consolidated Statements of Cash Flows**

(unaudited)

	Nine Months Ended September 30	
	2012	2011
	(thousands)	
Cash provided by (used for) operations		
Net income (loss)	\$ 40,218	\$ (32,572)
Items in net income (loss) not using (providing) cash		
Depreciation and amortization, including deferred financing costs and other	26,732	29,118
Pension expense	9,398	8,933
Other	(500)	1,515
Decrease (increase) in working capital, net of acquisitions		
Receivables	(53,308)	(45,700)
Inventories	(34,599)	(8,423)
Prepaid expenses and other	(1,973)	(1,221)
Accounts payable and accrued liabilities	82,333	27,598
Pension contributions	(8,181)	(10,274)
Other	4,752	(90)
Net cash provided by (used for) operations	64,872	(31,116)
Cash provided by (used for) investment		
Expenditures for property and equipment	(17,682)	(25,299)
Acquisitions of businesses and facilities	(2,355)	(5,782)
Proceeds from sales of assets	171	3,053
Other	(3)	211
Net cash used for investment	(19,869)	(27,817)
Cash used for financing		
Distributions to member	(2,790)	
Credit facility financing costs	(250)	(2,547)
Net cash used for financing	(3,040)	(2,547)
Net increase (decrease) in cash and cash equivalents	41,963	(61,480)
Balance at beginning of the period	182,455	264,601
Balance at end of the period	\$ 224,418	\$ 203,121

See accompanying condensed notes to unaudited quarterly consolidated financial statements.

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements

1. Nature of Operations and Consolidation

Nature of Operations

We are a privately held building products company headquartered in Boise, Idaho. As used in these consolidated financial statements, the terms "Boise Cascade," "we," and "our" refer to Boise Cascade, L.L.C., and its consolidated subsidiaries. Boise Cascade is 100% owned by Boise Cascade Holdings, L.L.C. (BC Holdings). We are a leading U.S. wholesale distributor of building products and one of the largest producers of engineered wood products (EWP) and plywood in North America.

We operate our business using three reportable segments: (1) Building Materials Distribution, which is a wholesale distributor of building materials, (2) Wood Products, which manufactures and sells EWP, plywood, particleboard, dimension lumber, and ponderosa pine lumber, and (3) Corporate and Other, which includes corporate support staff services, related assets and liabilities, and foreign exchange gains and losses. For more information, see Note 8, "Segment Information."

Consolidation

The accompanying quarterly consolidated financial statements have not been audited by an independent registered public accounting firm but, in the opinion of management, include all adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods presented. Except as disclosed within these condensed notes to unaudited quarterly consolidated financial statements, the adjustments made were of a normal, recurring nature. Certain information and footnote disclosures normally included in our annual consolidated financial statements have been condensed or omitted. The quarterly consolidated financial statements include the accounts of Boise Cascade and its subsidiaries after elimination of intercompany balances and transactions. Quarterly results are not necessarily indicative of results that may be expected for the full year. These condensed notes to unaudited quarterly consolidated financial statements should be read in conjunction with the audited consolidated financial statements and note disclosures as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010, and 2009 (2011 Audited Financial Statements), which are included in the company's registration statement on Form S-1.

2. Summary of Significant Accounting Policies

Accounting Policies

The complete summary of significant accounting policies is included in Note 2, "Summary of Significant Accounting Policies," of the Notes to Consolidated Financial Statements in our 2011 Audited Financial Statements.

Use of Estimates

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 about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable, inventories, goodwill, intangible assets, and other long-lived assets; legal contingencies; guarantee obligations; indemnifications; assumptions used in retirement benefits; and vendor and customer rebates, among others. These estimates and assumptions are based on management's best estimates and judgment.

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. We adjust such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in these estimates resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods.

Vendor and Customer Rebates and Allowances

We receive rebates and allowances from our vendors under a number of different programs, including vendor marketing programs. At September 30, 2012 and December 31, 2011, we had \$2.7 million and \$2.8 million, respectively, of vendor rebates and allowances recorded in "Receivables, Other" on the Consolidated Balance Sheets. Rebates and allowances received from our vendors 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.

We also provide rebates to our customers and our customers' customers based on the volume of their purchases. We provide the rebates to increase the sell-through of our products. The rebates are recorded as a decrease in "Sales, Trade." At September 30, 2012, and December 31, 2011, we had \$19.3 million and \$15.6 million, respectively, of rebates payable to our customers recorded in "Accrued liabilities, Other" on our Consolidated Balance Sheets.

Leases

We lease a portion of our distribution centers as well as other property and equipment under operating leases. For purposes of determining straight-line rent expense, the lease term is calculated from the date we first take possession of the facility, including any periods of free rent and any renewal option periods we are reasonably assured of exercising. Rental expense for operating leases was \$3.5 million for both the three months ended September 30, 2012 and 2011, and \$10.7 million and \$10.8 million for the nine months ended September 30, 2012 and 2011, respectively. Sublease rental income was not material in any of the periods presented.

Income Taxes

We are a limited liability company, and the majority of our businesses and assets are held and operated by limited liability companies, which are not subject to entity-level federal or state income taxation. Our income tax provision generally consists of income taxes payable to states that do not allow for the income tax liability to be passed through to our equityholders, as well as income taxes payable by our separate subsidiaries that are taxed as corporations.

Table of Contents**Boise Cascade, L.L.C.****Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****2. Summary of Significant Accounting Policies (Continued)***Inventories*

Inventories included the following:

	September 30, 2012	December 31, 2011
	(thousands)	
Finished goods and work in process	\$ 260,336	\$ 223,605
Logs	36,841	41,243
Other raw materials and supplies	21,400	19,130
	\$ 318,577	\$ 283,978

Property and Equipment

Property and equipment consisted of the following asset classes:

	September 30, 2012	December 31, 2011
	(thousands)	
Land	\$ 35,662	\$ 35,469
Buildings and improvements	121,678	117,155
Machinery and equipment	337,482	328,282
Construction in progress	10,749	5,812
	505,571	486,718
Less accumulated depreciation	(241,900)	(220,262)
	\$ 263,671	\$ 266,456

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy under U.S. generally accepted accounting principles (GAAP) gives the highest priority to quoted market prices (Level 1) and the lowest priority to unobservable inputs (Level 3). In general, and where applicable, we use quoted prices in active markets for identical assets or liabilities to determine fair value (Level 1). If quoted prices in active markets for identical assets or liabilities are not available to determine fair value, we use quoted prices for similar assets and liabilities or inputs that are observable either directly or indirectly (Level 2). If quoted prices for identical or similar assets are not available or are unobservable, we may use internally developed valuation models, whose inputs include bid prices, and third-party valuations utilizing underlying asset assumptions (Level 3).

Financial Instruments

Our financial instruments are cash and cash equivalents, accounts receivable, accounts payable, and long-term debt. Our cash is recorded at cost, which approximates fair value, and our cash equivalents are money market funds measured at fair value. As of September 30, 2012, and December 31, 2011, we held \$167.3 million and \$164.6 million, respectively, in money market funds

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

that are measured at fair value on a recurring basis using Level 1 inputs. The recorded values of accounts receivable and accounts payable approximate fair values based on their short-term nature. Our outstanding debt is fixed-rate. At September 30, 2012, the book value of our fixed-rate debt was \$219.6 million, and the fair value was estimated to be \$220.2 million. The difference between the book value and the fair value is derived from the difference between the period-end market interest rate and the stated rate of our fixed-rate, long-term debt. We estimated the fair value based on quoted market prices for our debt (Level 1 inputs).

Concentration of Credit Risk

We are exposed to credit risk related to customer accounts receivable. In order to manage credit risk, we consider customer concentrations and current economic trends and monitor the creditworthiness of customers based on ongoing credit evaluations. At September 30, 2012, and December 31, 2011, the receivables from a single customer accounted for approximately 15% and 14% of total receivables, respectively. No other customer accounted for 10% or more of total receivables.

Distributions to Member

We periodically make cash distributions to our equityholder. For the nine months ended September 30, 2012, we made \$2.8 million of cash distributions to BC Holdings, of which \$1.2 million and \$1.6 million was paid to Forest Products Holdings, L.L.C. (FPH) and OfficeMax, respectively. During the nine months ended September 30, 2011, we did not make any cash distributions. Both our senior credit facility and the indenture governing our senior subordinated notes permitted these distributions.

New and Recently Adopted Accounting Standards

In July 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2012-02, *Intangibles - Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment*, which gives entities the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount. The amended guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. We do not believe the adoption of this guidance will have a material impact on our consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, *Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment*, which gives entities testing goodwill for impairment the option of performing a qualitative assessment before calculating the fair value of a reporting unit in step 1 of the goodwill impairment test. If entities determine, on the basis of qualitative factors, that the fair value of a reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. Otherwise, further testing would not be needed. We adopted the

Table of Contents**Boise Cascade, L.L.C.****Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****2. Summary of Significant Accounting Policies (Continued)**

provisions of this guidance January 1, 2012, and it had no effect on our financial position and results of operations.

In June 2011, the FASB issued ASU 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*, which amends current comprehensive income guidance. This accounting update eliminates the option to present the components of other comprehensive income as part of the statement of equity, among other amendments. Instead, the company must report comprehensive income in either a single continuous statement of comprehensive income which contains two sections, net income and other comprehensive income, or in two separate but consecutive statements. On December 23, 2011, the FASB issued ASU 2011-12, *Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05*, which defers the ASU 2011-05 requirement to present reclassification adjustments out of accumulated other comprehensive income by component in both the statement in which net income is presented and the statement in which other comprehensive income is presented (for both interim and annual financial statements). This requirement is being further deliberated by the FASB. We adopted this guidance retrospectively as of January 1, 2012, by adding the Consolidated Statements of Comprehensive Income (Loss) to our consolidated financial statements. In addition, accumulated other comprehensive loss was reclassified from equity units to a separate line in the Consolidated Balance Sheets.

There were no other accounting standards recently issued that had or are expected to have a material impact on our consolidated financial statements and associated disclosures.

3. Other (Income) Expense

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
	(thousands)			
Facility curtailment(a)	\$	\$ (136)	\$	\$ 1,275
Other, net(b)	121	(162)	406	1,066
	\$ 121	\$ (298)	\$ 406	\$ 2,341

(a) In first quarter of 2011, we committed to indefinitely curtail a manufacturing plant in our Wood Products segment. The manufacturing plant was permanently closed on June 30, 2011.

(b) In first quarter of 2011, we recorded noncash asset write-downs of \$1.2 million.

Table of Contents**Boise Cascade, L.L.C.****Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****4. Debt**

Long-term debt consisted of the following:

	September 30, 2012	December 31, 2011
	(thousands)	
Asset-based revolving credit facility	\$	\$
7.125% senior subordinated notes	219,560	219,560
Long-term debt	219,560	219,560
Current portion of long-term debt	(25,000)	
Long-term debt, less current portion	\$ 194,560	\$ 219,560

Asset-Based Revolving Credit Facility

On July 13, 2011, Boise Cascade and its principal operating subsidiaries, Boise Cascade Wood Products, L.L.C., and Boise Cascade Building Materials Distribution, L.L.C., as borrowers, and Boise Cascade Wood Products Holdings Corp., as guarantor, entered into a \$250 million senior secured asset-based revolving credit facility (Revolving Credit Facility) with Wells Fargo Capital Finance, L.L.C. (Wells Fargo), as agent and the banks named therein as lenders. Borrowings under the Revolving Credit Facility are constrained by a borrowing base formula dependent upon levels of eligible receivables and inventory reduced by outstanding borrowings and letters of credit (Availability). On September 7, 2012, we entered into a First Amendment to Credit Agreement, which increased the aggregate lending commitments under the Revolving Credit Facility to \$300 million. Other key terms of the Credit Agreement were unchanged by the Amendment.

The Revolving Credit Facility has a maturity date of July 13, 2016. The Revolving Credit Facility is secured by a first-priority security interest in substantially all of our assets, except for property and equipment. The proceeds of borrowings under the agreement are available for working capital and other general corporate purposes.

Interest rates under the Revolving Credit Facility are based, at the company's election, on either the London Interbank Offered Rate (LIBOR) or a base rate, as defined in the agreement, plus a spread over the index elected that ranges from 1.75% to 2.25% for loans based on LIBOR and from 0.75% to 1.25% for loans based on the base rate. The spread is determined on the basis of a pricing grid that results in a higher spread as average quarterly Availability declines. Letters of credit are subject to a fronting fee payable to the issuing bank and a fee payable to the lenders equal to the LIBOR margin rate. In addition, we are required to pay an unused commitment fee at a rate ranging from 0.375% to 0.50% per annum (based on facility utilization) of the average unused portion of the lending commitments.

The Revolving Credit Facility contains customary nonfinancial covenants, including a negative pledge covenant and restrictions on new indebtedness, investments, distributions to equityholders, asset sales, and affiliate transactions, the scope of which are dependent on the Availability existing from time to time. The Revolving Credit Facility also contains a requirement that we meet a 1:1 fixed-charge coverage ratio (FCCR) if Availability falls below the greater of \$31.25 million or 12.5% of the aggregate lending commitments. Availability exceeded the minimum threshold amounts required for testing of the FCCR at all times since entering into the Revolving Credit Facility, and Availability at

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

4. Debt (Continued)

September 30, 2012, was \$259.4 million. At September 30, 2012, our aggregate liquidity from cash and cash equivalents and unused borrowing capacity (net of the Availability threshold amount for testing of the FCCR, as applicable) under the Revolving Credit Facility totaled \$483.8 million.

At September 30, 2012, and December 31, 2011, we had no borrowings outstanding under the Revolving Credit Facility and approximately \$10.0 million and \$11.3 million, respectively, of letters of credit outstanding. These letters of credit reduced our borrowing capacity under the Revolving Credit Facility by an equivalent amount. We did not borrow under the Revolving Credit Facility during the nine months ended September 30, 2012. On October 12, 2012, we borrowed \$50.0 million under the Revolving Credit Facility to partially fund the redemption of \$75.0 million of our senior subordinated notes, as discussed further below.

Senior Subordinated Notes

In October 2004, Boise Cascade issued \$400 million of 7.125% senior subordinated notes due in 2014. In July 2005, we completed an exchange offer whereby all of our senior subordinated notes were exchanged for registered securities with identical terms (other than terms relating to registration rights) to the notes issued in October 2004. We may redeem all or part of the notes at any time at redemption prices set forth in the indenture governing the notes (Indenture). Redemption prices reduced to par value in October 2012. Subsequent to the exchange offer, a portion of the notes were repurchased, resulting in \$219.6 million of notes outstanding at both September 30, 2012, and December 31, 2011. On October 15, 2012, we redeemed \$75.0 million of the notes at par value with \$25.0 million of cash on hand and \$50.0 million borrowed under our Revolving Credit Facility. On October 22, 2012, the trustee under the senior subordinated notes indenture, at our request, irrevocably called for redemption on November 21, 2012, all of our outstanding senior subordinated notes. Simultaneously, we irrevocably deposited \$144.6 million of the proceeds from our senior notes offering, with our senior subordinated notes trustee, in an amount sufficient to pay and discharge the entire indebtedness on the senior subordinated notes for principal, plus \$1.0 million of interest, to November 21, 2012. The senior subordinated notes trustee acknowledged that as of October 22, 2012, our obligations and those of the guarantors were discharged and satisfied, and neither we nor the guarantors generally had any further obligations to the senior subordinated notes trustee or the holders of our senior subordinated notes. The senior subordinated notes trustee further acknowledged the automatic release of the guarantees of the guarantors under our senior subordinated notes indenture. Upon such satisfaction and discharge, our senior subordinated notes indenture generally ceased to be of further effect.

Debt Refinancing

On October 22, 2012, Boise Cascade and its wholly owned subsidiary, Boise Cascade Finance Corporation (together, the Co-issuers), issued a \$250 million aggregate principal amount of 6.375% senior notes due November 1, 2020 (Senior Notes) through a private placement that is exempt from the registration requirements of the Securities Act of 1933 (Securities Act), as amended. The Senior Notes pay interest semiannually in arrears on May 1 and November 1, commencing on May 1, 2013. As a result of this refinancing, we extended the maturity of our debt and lowered our interest rate. The Senior Notes are guaranteed by each of Boise Cascade's existing and future direct or indirect domestic subsidiaries that is a guarantor or co-borrower under our Revolving Credit Facility, other than Boise

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

4. Debt (Continued)

Cascade Finance Corporation. The Senior Notes are also guaranteed by BC Holdings, until such time, if ever, that Boise Cascade's common stock is listed on any national securities exchange.

Following the sale of the Senior Notes, we used a portion of the net proceeds of the sale to repay the senior subordinated notes at par plus interest through the redemption date. The remaining proceeds will be available for general corporate purposes.

In connection with the issuance of the Senior Notes, the Co-issuers entered into a registration rights agreement, dated as of October 22, 2012 (Senior Notes Registration Rights Agreement). The Senior Notes Registration Rights Agreement requires us to register under the Securities Act the Senior Notes having substantially identical terms to those of the Senior Notes (Exchange Notes) and to complete an exchange of the privately placed Senior Notes for the publicly registered Exchange Notes on or prior to October 21, 2013 or, in certain circumstances, to file and keep effective a shelf registration statement for resale of the Senior Notes. If we fail to satisfy these obligations, we will pay additional interest up to 0.25% per annum to holders of the Senior Notes for the first 90-day period immediately following such date, and by an additional 0.25% per annum with respect to each subsequent 90-day period, up to a maximum rate of 1.0% per annum.

The Senior Notes are senior unsecured obligations and rank equally with all of the Co-issuers' and guarantors' existing and future senior indebtedness, senior to all of their existing and future subordinated indebtedness, effectively subordinated to all of their present and future senior secured indebtedness (including all borrowings with respect to our Revolving Credit Facility to the extent of the value of the assets securing such indebtedness), and structurally subordinated to the indebtedness of any subsidiaries that do not guarantee the Senior Notes.

The terms of the indenture governing the Senior Notes, among other things, limit the ability of the Co-issuers and certain Boise Cascade subsidiaries to: incur additional debt; declare or pay dividends; redeem stock or make other distributions to stockholders; make investments; create liens on assets; consolidate, merge, or transfer substantially all of their assets; enter into transactions with affiliates; and sell or transfer certain assets.

The indenture governing the Senior Notes provides for customary events of default, which include (subject in certain cases to customary grace and cure periods and notification requirements), among others: nonpayment of principal or interest; breach of other agreements in the indenture governing the Senior Notes; defaults in failure to pay certain other indebtedness; the rendering of judgments to pay certain amounts of money against the Co-issuers, the guarantors, or certain Boise Cascade subsidiaries; the failure of certain guarantees to be enforceable; and certain events of bankruptcy or insolvency.

Cash Paid for Interest

For the nine months ended September 30, 2012 and 2011, cash payments for interest, net of interest capitalized, were \$8.7 million and \$8.6 million, respectively. Capitalized interest was not material for both periods.

Table of Contents**Boise Cascade, L.L.C.****Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****5. Retirement and Benefit Plans**

The following table presents the pension benefit costs:

	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
	(thousands)			
Service cost	\$ 1,206	\$ 1,253	\$ 3,557	\$ 4,051
Interest cost	4,783	5,049	14,450	15,394
Expected return on plan assets	(4,850)	(4,488)	(14,541)	(13,457)
Amortization of actuarial loss	1,824	643	5,808	2,067
Amortization of prior service costs	41	44	124	133
Curtailment loss and other				745
Net periodic benefit cost	\$ 3,004	\$ 2,501	\$ 9,398	\$ 8,933

On July 13, 2012, we contributed company-owned real property to the pension plans from two locations in our Building Materials Distribution segment. The pension plans obtained independent appraisals of the properties, and based on these appraisals, the plans recorded the contribution at fair value of \$9.7 million during the nine months ended September 30, 2012.

We are leasing back the contributed properties for an initial term of ten years with two five-year extension options and continue to use the properties in our distribution operations. Rent payments are made quarterly, with first-year annual rents of \$0.8 million and 2% annual escalation rates thereafter. Each lease provides us a right of first refusal on any subsequent sale by the pension plans, as well as repurchase options at the end of the initial term and extension periods. The plans engaged an independent fiduciary who negotiated the lease terms and also manages the properties on behalf of the plans.

We determined that the contribution of the properties does not meet the accounting definition of a plan asset within the scope of Accounting Standards Codification 715, *Compensation Retirement Benefits*. Accordingly, the contributed properties are not considered a contribution for accounting purposes and, as a result, are not included in plan assets and have no impact on the net pension liability recorded on our Consolidated Balance Sheets. We continue to depreciate the carrying value of the properties in our financial statements, and no gain or loss was recognized at the contribution date for accounting purposes. Lease payments are recorded as pension contributions.

In the first nine months of 2012, we made \$8.2 million in cash contributions to the pension plans. The total cash and real property contributions are expected to satisfy U.S. Department of Labor minimum pension contribution requirements for 2012 in light of recently passed pension funding relief legislation.

6. Outsourcing Services Agreement

Under an Outsourcing Services Agreement, Boise Inc. provides a number of corporate staff services to us at cost. These services include information technology, accounting, and human resource transactional services. The agreement, as extended, expires on February 22, 2014. The agreement automatically renews for successive one-year terms unless either party provides notice of termination to the other party at least 12 months in advance of the expiration date. The Outsourcing Services

Table of Contents**Boise Cascade, L.L.C.****Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****6. Outsourcing Services Agreement (Continued)**

Agreement gives us (but not Boise Inc.) the right to terminate all or any portion of the services provided to us on 30 days' notice. Total expenses incurred under the Outsourcing Services Agreement were \$3.7 million and \$3.8 million for the three months ended September 30, 2012 and 2011, respectively, and \$11.0 million for both the nine months ended September 30, 2012 and 2011. The majority of these expenses are recorded in "General and administrative expenses" in our Consolidated Statements of Income (Loss).

7. Transactions With Related Party

Transactions with Louisiana Timber Procurement Company, L.L.C. (LTP) represent the only significant related-party activity recorded in our consolidated financial statements. LTP is an unconsolidated variable-interest entity that is 50% owned by Boise Cascade, and 50% owned by Boise Inc. LTP procures sawtimber, pulpwood, residual chips, and other residual wood fiber to meet the wood and fiber requirements of Boise Inc. and Boise Cascade, in Louisiana. See the Consolidated Statements of Income (Loss) for related party sales to LTP and related party fiber purchases from LTP. We are not the primary beneficiary of LTP, as we do not have power to direct the activities that most significantly affect the economic performance of LTP. Accordingly, we do not consolidate LTP's results in our financial statements.

8. Segment Information

We operate our business using three reportable segments: Building Materials Distribution, Wood Products, and Corporate and Other. There are no differences in our basis of measurement of segment profit or loss from those disclosed in Note 14, "Segment Information," of the Notes to Consolidated Financial Statements in our 2011 Audited Financial Statements.

An analysis of our operations by segment is as follows:

	Sales				Income (Loss) Before Income Taxes	Depreciation and Amortization	EBITDA (b)
	Trade	Related Party	Inter- segment	Total			
	(millions)						
Three Months Ended September 30, 2012							
Building Materials Distribution	\$ 605.2	\$	\$	\$ 605.2	\$ 10.3	\$ 2.3	\$ 12.6
Wood Products	154.1	5.3	100.4	259.8	22.5	6.2	28.6
Corporate and Other					(4.4)		(4.4)
Intersegment eliminations			(100.4)	(100.4)			
	\$ 759.3	\$ 5.3	\$	\$ 764.6	28.4	\$ 8.5	\$ 36.8
Interest expense					(4.8)		
Interest income					0.1		
					\$ 23.6		

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

8. Segment Information (Continued)

	Sales			Total	Income (Loss) Before Income Taxes	Depreciation and Amortization	EBITDA (b)
	Trade	Related Party	Inter- segment				
(millions)							
Three Months Ended September 30, 2011							
Building Materials Distribution	\$ 500.9	\$	\$ 0.6	\$ 501.5	\$ 6.0	\$ 2.1	\$ 8.2
Wood Products	122.3	4.8	67.7	194.8	(0.1)	7.2	7.1
Corporate and Other					(4.8)	0.1	(4.7)
Intersegment eliminations			(68.3)	(68.3)			
	\$ 623.2	\$ 4.8	\$	\$ 628.0	1.2	\$ 9.4	\$ 10.6
Interest expense					(5.0)		
Interest income					0.1		
							\$ (3.7)

	Sales			Total	Income (Loss) Before Income Taxes	Depreciation and Amortization	EBITDA (b)
	Trade	Related Party	Inter- segment				
(millions)							
Nine Months Ended September 30, 2012							
Building Materials Distribution	\$ 1,637.2	\$	\$	\$ 1,637.2	\$ 18.2	\$ 6.6	\$ 24.8
Wood Products	432.6	14.7	265.4	712.7	48.8	18.2	67.0
Corporate and Other					(12.4)	0.1	(12.3)
Intersegment eliminations			(265.4)	(265.4)			
	\$ 2,069.8	\$ 14.7	\$	\$ 2,084.5	54.7	\$ 24.9	\$ 79.6
Interest expense					(14.5)		
Interest income					0.3		
							\$ 40.5

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

8. Segment Information (Continued)

	Sales			Total	Income (Loss) Before Income Taxes	Depreciation and Amortization	EBITDA (b)
	Trade	Related Party	Inter- segment				
(millions)							
Nine Months Ended September 30, 2011							
Building Materials Distribution(a)	\$ 1,348.9	\$	\$ 1.0	\$ 1,349.9	\$ 2.8	\$ 6.2	\$ 9.0
Wood Products(a)	338.1	13.6	180.5	532.2	(10.0)	21.1	11.1
Corporate and Other					(11.4)	0.2	(11.2)
Intersegment eliminations			(181.5)	(181.5)			
	\$ 1,687.0	\$ 13.6	\$	\$ 1,700.6	(18.6)	\$ 27.5	\$ 8.9
Interest expense					(14.2)		
Interest income					0.3		
					\$ (32.4)		

(a) In March 2011, we committed to indefinitely curtail a manufacturing plant in our Wood Products segment, and we recorded the related expense of \$1.3 million in "Other (income) expense, net" and \$0.4 million of accelerated depreciation in "Depreciation and Amortization" in our Consolidated Statement of Income (Loss) for the nine months ended September 30, 2011. The manufacturing plant was permanently closed on June 30, 2011. Also, during the nine months ended September 30, 2011, we recorded \$1.2 million of noncash asset write-downs in "Other (income) expense, net," of which \$0.8 million was recorded in our Building Materials Distribution segment and \$0.4 million was recorded in our Wood Products segment.

(b) EBITDA represents income (loss) before interest (interest expense and interest income), income taxes, and depreciation and amortization. EBITDA is the primary measure used by our chief operating decision maker to evaluate segment operating performance and to decide how to allocate resources to segments. We believe EBITDA is useful to investors because it provides a means to evaluate the operating performance of our segments and our company on an ongoing basis using criteria that are used by our internal decision makers and because it is frequently used by investors and other interested parties when comparing companies in our industry that have different financing and capital structures and/or tax rates. We believe EBITDA is a meaningful measure because it presents a transparent view of our recurring operating performance and allows management to readily view operating trends, perform analytical comparisons, and identify strategies to improve operating performance. EBITDA, however, is not a measure of our liquidity or financial performance under generally accepted accounting principles (GAAP) and should not be considered as an alternative to net income (loss), income (loss) from operations, or any other performance measure derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity. The use of EBITDA instead of net income (loss) or segment income (loss) has limitations as an analytical tool, including the inability to determine profitability; the exclusion of interest expense, interest income, and associated significant cash requirements; and the exclusion of depreciation and amortization, which represent unavoidable operating costs. Management compensates for the limitations of EBITDA by relying on our GAAP results. Our measure of EBITDA is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation.

Table of Contents**Boise Cascade, L.L.C.****Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****8. Segment Information (Continued)**

The following is a reconciliation of net income (loss) to EBITDA for the consolidated company:

	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
	(millions)			
Net income (loss)	\$ 23.5	\$ (3.7)	\$ 40.2	\$ (32.6)
Interest expense	4.8	5.0	14.5	14.2
Interest income	(0.1)	(0.1)	(0.3)	(0.3)
Income tax provision	0.1		0.2	0.1
Depreciation and amortization	8.5	9.4	24.9	27.5
EBITDA	\$ 36.8	\$ 10.6	\$ 79.6	\$ 8.9

9. Commitments, Legal Proceedings and Contingencies, and Guarantees*Commitments*

We have commitments for leases and long-term debt that are discussed further under "Leases" in Note 2, "Summary of Significant Accounting Policies," and Note 4, "Debt." We are a party to a number of long-term log and fiber supply agreements that are discussed in Note 15, "Commitments, Legal Proceedings and Contingencies, and Guarantees," of the Notes to Consolidated Financial Statements in our 2011 Audited Financial Statements. In addition, we have purchase obligations for goods and services, capital expenditures, and raw materials entered into in the normal course of business. At September 30, 2012, there have been no material changes to the commitments disclosed in the 2011 Audited Financial Statements. See Note 4, "Debt," for a discussion of debt transactions subsequent to September 30, 2012.

In July 2012, there was a change in the ownership of timberlands that serve as a significant source of fiber to our Wood Products segment pursuant to a number of long-term fiber supply agreements. The affected supply agreements remain in place, with our rights and the new owners' obligations under those agreements unchanged. As such, we do not anticipate the ownership transition to negatively impact our operations.

Legal Proceedings and Contingencies

We are a party to routine legal proceedings that arise in the ordinary course of our business. We are not currently a party to any legal proceedings or environmental claims that we believe would, individually or in the aggregate, have a material adverse effect on our financial position, results of operations, or cash flows.

Guarantees

We provide guarantees, indemnifications, and assurances to others. Note 15, "Commitments, Legal Proceedings and Contingencies, and Guarantees," of the Notes to Consolidated Financial Statements in our 2011 Audited Financial Statements 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. As of September 30, 2012, there have been no material changes to the guarantees disclosed in the 2011 Audited Financial Statements.

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

10. Consolidating Guarantor and Nonguarantor Financial Information

The following consolidating financial information presents the Statements of Comprehensive Income (Loss), Balance Sheets, and Cash Flows related to Boise Cascade. The senior subordinated notes are guaranteed on a senior subordinated basis jointly and severally by BC Holdings and each of its existing and future subsidiaries (other than: (i) Boise Cascade and Boise Cascade Finance Corporation and (ii) our foreign subsidiaries). BC Holdings is a holding company with no material assets other than the equity interests of its direct subsidiaries. In addition, the interim financial statements of BC Holdings are available to the public through BC Holdings' Quarterly Report on Form 10-Q for the period ended September 30, 2012 filed with the Securities and Exchange Commission in accordance with the Securities Exchange Act of 1934. Other than the consolidated financial statements and footnotes for Boise Cascade and the consolidating financial information, financial statements and other disclosures concerning the guarantors have not been presented because management believes that such information is not material to investors.

Furthermore, the cancellation provisions in the Indenture related to the guarantor subsidiaries are customary, and they do not include an arrangement that permits a guarantor subsidiary to opt out of the obligation prior to or during the term of the debt. Each guarantor subsidiary is automatically released from its obligations as a guarantor upon the sale of the subsidiary or substantially all of its assets to a third party, the designation of the subsidiary as an unrestricted subsidiary for purposes of the covenants included in the Indenture, the release of the indebtedness under the Indenture, or if the issuers exercise their legal defeasance option or the discharge of their obligations in accordance with the Indenture.

See Note 4, "Debt," for a discussion of debt transactions subsequent to September 30, 2012.

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)

Boise Cascade, L.L.C., and Subsidiaries

Consolidating Statements of Comprehensive Income (Loss)

For the Three Months Ended September 30, 2012

(unaudited)

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
Sales					
Trade	\$	\$ 755,529	\$ 3,801	\$	\$ 759,330
Intercompany			3,327	(3,327)	
Related party		5,266			5,266
		760,795	7,128	(3,327)	764,596
Costs and expenses					
Materials, labor, and other operating expenses		635,255	7,711	(3,972)	638,994
Materials, labor, and other operating expenses from related party		14,131			14,131
Depreciation and amortization	32	8,071	358		8,461
Selling and distribution expenses		61,708	864		62,572
General and administrative expenses	4,561	6,980	(1)	645	12,185
Other (income) expense, net	16	513	(408)		121
	4,609	726,658	8,524	(3,327)	736,464
Income (loss) from operations	(4,609)	34,137	(1,396)		28,132
Foreign exchange gain (loss)	198	(73)	103		228
Interest expense	(4,840)				(4,840)
Interest income	43	44			87
	(4,599)	(29)	103		(4,525)
Income (loss) before income taxes and equity in net income (loss) of affiliates	(9,208)	34,108	(1,293)		23,607
Income tax (provision) benefit	(109)	5			(104)
Income (loss) before equity in net income (loss) of affiliates	(9,317)	34,113	(1,293)		23,503
Equity in net income of affiliates	32,820			(32,820)	
Net income (loss)	23,503	34,113	(1,293)	(32,820)	23,503

Other comprehensive income

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Defined benefit pension plans					
Amortization of actuarial loss	1,824			1,824	
Amortization of prior service costs	41			41	
Other comprehensive income	1,865			1,865	
Comprehensive income (loss)	\$ 25,368	\$ 34,113	\$ (1,293)	\$ (32,820)	\$ 25,368

F-21

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)

Boise Cascade, L.L.C., and Subsidiaries

Consolidating Statements of Comprehensive Income (Loss)

For the Three Months Ended September 30, 2011

(unaudited)

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
Sales					
Trade	\$	\$ 619,952	\$ 3,247	\$	\$ 623,199
Intercompany			2,933	(2,933)	
Related party		4,787			4,787
		624,739	6,180	(2,933)	627,986
Costs and expenses					
Materials, labor, and other operating expenses		535,365	6,624	(3,195)	538,794
Materials, labor, and other operating expenses from related party		12,346			12,346
Depreciation and amortization	57	8,862	433		9,352
Selling and distribution expenses		54,632	714		55,346
General and administrative expenses	3,750	6,287		262	10,299
Other (income) expense, net	16	52	(366)		(298)
	3,823	617,544	7,405	(2,933)	625,839
Income (loss) from operations	(3,823)	7,195	(1,225)		2,147
Foreign exchange loss	(628)	(55)	(253)		(936)
Interest expense	(5,001)				(5,001)
Interest income	43	48			91
	(5,586)	(7)	(253)		(5,846)
Income (loss) before income taxes and equity in net income (loss) of affiliates	(9,409)	7,188	(1,478)		(3,699)
Income tax (provision) benefit	(56)	44			(12)
Income (loss) before equity in net income (loss) of affiliates	(9,465)	7,232	(1,478)		(3,711)
Equity in net income of affiliates	5,754			(5,754)	
Net income (loss)	(3,711)	7,232	(1,478)	(5,754)	(3,711)

Other comprehensive income

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Defined benefit pension plans					
Amortization of actuarial loss	643			643	
Amortization of prior service costs	44			44	
Other comprehensive income	687			687	
Comprehensive income (loss)	\$ (3,024)	\$ 7,232	\$ (1,478)	\$ (5,754)	\$ (3,024)

F-22

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)

Boise Cascade, L.L.C., and Subsidiaries

Consolidating Statements of Comprehensive Income (Loss)

For the Nine Months Ended September 30, 2012

(unaudited)

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
Sales					
Trade	\$	\$ 2,060,159	\$ 9,645	\$	\$ 2,069,804
Intercompany			9,854	(9,854)	
Related party		14,678			14,678
		2,074,837	19,499	(9,854)	2,084,482
Costs and expenses					
Materials, labor, and other operating expenses		1,741,777	20,242	(10,867)	1,751,152
Materials, labor, and other operating expenses from related party		44,704			44,704
Depreciation and amortization	96	23,568	1,254		24,918
Selling and distribution expenses		174,458	2,396		176,854
General and administrative expenses	12,264	18,645		1,013	31,922
Other (income) expense, net	94	1,709	(1,397)		406
	12,454	2,004,861	22,495	(9,854)	2,029,956
Income (loss) from operations	(12,454)	69,976	(2,996)		54,526
Foreign exchange gain (loss)	224	(132)	33		125
Interest expense	(14,471)				(14,471)
Interest income	132	149			281
	(14,115)	17	33		(14,065)
Income (loss) before income taxes and equity in net income (loss) of affiliates	(26,569)	69,993	(2,963)		40,461
Income tax provision	(236)	(7)			(243)
Income (loss) before equity in net income (loss) of affiliates	(26,805)	69,986	(2,963)		40,218
Equity in net income of affiliates	67,023			(67,023)	
Net income (loss)	40,218	69,986	(2,963)	(67,023)	40,218

Other comprehensive income

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Defined benefit pension plans					
Amortization of actuarial loss	5,808			5,808	
Amortization of prior service costs	124			124	
Other comprehensive income	5,932			5,932	
Comprehensive income (loss)	\$ 46,150	\$ 69,986	\$ (2,963)	\$ (67,023)	\$ 46,150

F-23

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)

Boise Cascade, L.L.C., and Subsidiaries

Consolidating Statements of Comprehensive Income (Loss)

For the Nine Months Ended September 30, 2011

(unaudited)

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
Sales					
Trade	\$	\$ 1,676,695	\$ 10,342	\$	\$ 1,687,037
Intercompany			8,118	(8,118)	
Related party		13,609			13,609
		1,690,304	18,460	(8,118)	1,700,646
Costs and expenses					
Materials, labor, and other operating expenses		1,465,692	18,834	(8,679)	1,475,847
Materials, labor, and other operating expenses from related party		31,140			31,140
Depreciation and amortization	180	25,994	1,326		27,500
Selling and distribution expenses		151,304	2,028		153,332
General and administrative expenses	10,549	17,346		561	28,456
Other (income) expense, net	61	2,876	(596)		2,341
	10,790	1,694,352	21,592	(8,118)	1,718,616
Loss from operations	(10,790)	(4,048)	(3,132)		(17,970)
Foreign exchange loss	(495)	(31)	(70)		(596)
Interest expense	(14,174)				(14,174)
Interest income	138	176			314
	(14,531)	145	(70)		(14,456)
Loss before income taxes and equity in net loss of affiliates	(25,321)	(3,903)	(3,202)		(32,426)
Income tax (provision) benefit	(164)	18			(146)
Loss before equity in net loss of affiliates	(25,485)	(3,885)	(3,202)		(32,572)
Equity in net loss of affiliates	(7,087)			7,087	
Net loss	(32,572)	(3,885)	(3,202)	7,087	(32,572)

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Other comprehensive income

Defined benefit pension plans					
Amortization of actuarial loss	2,067			2,067	
Amortization of prior service costs and other	159			159	
Other comprehensive income	2,226			2,226	
Comprehensive loss	\$ (30,346)	\$ (3,885)	\$ (3,202)	\$ 7,087	\$ (30,346)

F-24

Boise Cascade, L.L.C.**Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)****Boise Cascade, L.L.C., and Subsidiaries****Consolidating Balance Sheets at September 30, 2012**

(unaudited)

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
ASSETS					
Current					
Cash and cash equivalents	\$ 224,281	\$ 49	\$ 88	\$	\$ 224,418
Receivables					
Trade, less allowances	2	169,942	2,554		172,498
Related parties	16	490			506
Other	(92)	4,433	346		4,687
Inventories		312,283	6,294		318,577
Prepaid expenses and other	2,465	5,918	74		8,457
Total current assets	226,672	493,115	9,356		729,143
Property and equipment, net	1,285	253,570	8,816		263,671
Timber deposits		6,338			6,338
Deferred financing costs	3,843				3,843
Goodwill		12,170			12,170
Intangible assets, net		8,900			8,900
Other assets	20	7,385			7,405
Investments in affiliates	567,293			(567,293)	
Total assets	\$ 799,113	\$ 781,478	\$ 18,172	\$ (567,293)	\$ 1,031,470

F-25

Table of Contents**Boise Cascade, L.L.C.****Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)****Boise Cascade, L.L.C., and Subsidiaries****Consolidating Balance Sheets at September 30, 2012 (Continued)**

(unaudited)

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
LIABILITIES AND CAPITAL					
Current					
Current portion of long-term debt	\$ 25,000	\$	\$	\$	\$ 25,000
Accounts payable					
Trade	8,907	155,793	1,053		165,753
Related parties	395	1,527			1,922
Accrued liabilities					
Compensation and benefits	18,740	40,644	566		59,950
Interest payable	7,250				7,250
Other	2,622	28,165	829		31,616
	62,914	226,129	2,448		291,491
Debt					
Long-term debt, less current portion	194,560				194,560
Other					
Compensation and benefits	196,589				196,589
Other long-term liabilities	10,325	3,780			14,105
	206,914	3,780			210,694
Redeemable equity units	8,515				8,515
Commitments and contingent liabilities					
Capital					
Equity units	441,123				441,123
Accumulated other comprehensive loss	(114,913)				(114,913)
Subsidiary equity		551,569	15,724	(567,293)	
Total capital	326,210	551,569	15,724	(567,293)	326,210
Total liabilities and capital	\$ 799,113	\$ 781,478	\$ 18,172	\$ (567,293)	\$ 1,031,470

Boise Cascade, L.L.C.**Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)****Boise Cascade, L.L.C., and Subsidiaries****Consolidating Balance Sheets at December 31, 2011**

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
ASSETS					
Current					
Cash and cash equivalents	\$ 182,326	\$ 20	\$ 109	\$	\$ 182,455
Receivables					
Trade, less allowances		118,267	634		118,901
Related parties	935	301			1,236
Intercompany		56		(56)	
Other	(90)	3,661	225		3,796
Inventories		278,580	5,398		283,978
Prepaid expenses and other	843	3,972	49		4,864
Total current assets	184,014	404,857	6,415	(56)	595,230
Property and equipment, net	1,259	255,117	10,080		266,456
Timber deposits		8,327			8,327
Deferred financing costs	4,962				4,962
Goodwill		12,170			12,170
Intangible assets, net		8,900			8,900
Other assets	20	6,765	1		6,786
Investments in affiliates	557,925			(557,925)	
Total assets	\$ 748,180	\$ 696,136	\$ 16,496	\$ (557,981)	\$ 902,831

Boise Cascade, L.L.C.**Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)****Boise Cascade, L.L.C., and Subsidiaries****Consolidating Balance Sheets at December 31, 2011 (Continued)**

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
LIABILITIES AND CAPITAL					
Current					
Accounts payable					
Trade	\$ 8,633	\$ 107,336	\$ 789	\$	\$ 116,758
Related parties	395	747			1,142
Intercompany			56	(56)	
Accrued liabilities					
Compensation and benefits	12,104	19,816	347		32,267
Interest payable	3,326				3,326
Other	2,470	21,045	971		24,486
	26,928	148,944	2,163	(56)	177,979
Debt					
Long-term debt	219,560				219,560
Other					
Compensation and benefits	200,248				200,248
Other long-term liabilities	10,076	3,600			13,676
	210,324	3,600			213,924
Redeemable equity units	8,749				8,749
Commitments and contingent liabilities					
Capital					
Equity units	403,464				403,464
Accumulated other comprehensive loss	(120,845)				(120,845)
Subsidiary equity		543,592	14,333	(557,925)	
Total capital	282,619	543,592	14,333	(557,925)	282,619
Total liabilities and capital	\$ 748,180	\$ 696,136	\$ 16,496	\$ (557,981)	\$ 902,831

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)

Boise Cascade, L.L.C., and Subsidiaries

Consolidating Statements of Cash Flows

For the Nine Months Ended September 30, 2012

(unaudited)

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
Cash provided by (used for) operations					
Net income (loss)	\$ 40,218	\$ 69,986	\$ (2,963)	\$ (67,023)	\$ 40,218
Items in net income (loss) not using (providing) cash					
Equity in net income of affiliates	(67,023)			67,023	
Depreciation and amortization, including deferred financing costs and other	1,910	23,568	1,254		26,732
Pension expense	9,398				9,398
Other	(46)	(139)	(315)		(500)
Decrease (increase) in working capital, net of acquisitions					
Receivables	952	(52,580)	(1,624)	(56)	(53,308)
Inventories		(33,703)	(896)		(34,599)
Prepaid expenses and other	(9)	(1,938)	(26)		(1,973)
Accounts payable and accrued liabilities	6,047	75,948	282	56	82,333
Pension contributions	(8,181)				(8,181)
Other	4,105	642	5		4,752
Net cash provided by (used for) operations	(12,629)	81,784	(4,283)		64,872
Cash provided by (used for) investment					
Expenditures for property and equipment	(28)	(17,563)	(91)		(17,682)
Acquisitions of businesses and facilities		(2,355)			(2,355)
Proceeds from sales of assets		171			171
Other	(3)	1	(1)		(3)
Net cash used for investment	(31)	(19,746)	(92)		(19,869)
Cash provided by (used for) financing					
Distributions to member	(2,790)				(2,790)
Credit facility financing costs	(250)				(250)
Due to (from) affiliates	57,655	(62,009)	4,354		
Net cash provided by (used for) financing	54,615	(62,009)	4,354		(3,040)
Net increase (decrease) in cash and cash equivalents	41,955	29	(21)		41,963
Balance at beginning of the period	182,326	20	109		182,455

Balance at end of the period	\$ 224,281	\$ 49	\$ 88	\$ 224,418
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F-29

Table of Contents**Boise Cascade, L.L.C.****Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)****10. Consolidating Guarantor and Nonguarantor Financial Information (Continued)****Boise Cascade, L.L.C., and Subsidiaries****Consolidating Statements of Cash Flows****For the Nine Months Ended September 30, 2011**

(unaudited)

	Boise Cascade, L.L.C. (Issuer)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated
	(thousands)				
Cash provided by (used for) operations					
Net loss	\$ (32,572)	\$ (3,885)	\$ (3,202)	\$ 7,087	\$ (32,572)
Items in net loss not using (providing) cash					
Equity in net loss of affiliates	7,087			(7,087)	
Depreciation and amortization, including deferred financing costs and other	1,798	25,994	1,326		29,118
Pension expense	8,933				8,933
Other	535	511	469		1,515
Decrease (increase) in working capital, net of acquisitions					
Receivables	37	(45,623)	(114)		(45,700)
Inventories		(8,661)	238		(8,423)
Prepaid expenses and other	121	(1,281)	(61)		(1,221)
Accounts payable and accrued liabilities	4,124	24,010	(536)		27,598
Pension contributions	(10,274)				(10,274)
Other	(368)	275	3		(90)
Net cash used for operations	(20,579)	(8,660)	(1,877)		(31,116)
Cash provided by (used for) investment					
Expenditures for property and equipment	(12)	(24,832)	(455)		(25,299)
Acquisitions of businesses and facilities		(5,782)			(5,782)
Proceeds from sales of assets		3,053			3,053
Other	(505)	872	(156)		211
Net cash used for investment	(517)	(26,689)	(611)		(27,817)
Cash provided by (used for) financing					
Credit facility financing costs	(2,547)				(2,547)
Due to (from) affiliates	(37,761)	35,453	2,308		
Net cash provided by (used for) financing	(40,308)	35,453	2,308		(2,547)
Net increase (decrease) in cash and cash equivalents	(61,404)	104	(180)		(61,480)
Balance at beginning of the period	264,364	16	221		264,601
Balance at end of the period	\$ 202,960	\$ 120	\$ 41		\$ 203,121

Table of Contents

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

11. Pro Forma Information (unaudited)

Since our inception in October 2004, we have operated as a limited liability company. The unaudited pro forma financial information assumes we operated as a corporation during the nine months ended September 30, 2012, and reflects the following adjustments to give pro forma effect for the anticipated initial public offering of common stock (the Offering) and to the distribution described below.

Statement of Income (Loss)

The pro forma results of our being treated as a corporation had no impact on net income for the pro forma nine months ended September 30, 2012, primarily as a result of placing a full valuation on the tax benefits associated with 2011 net operating losses and other net deferred tax assets (mostly attributable to our three-year historical cumulative losses and below historical average, although slightly improved, housing starts). The pretax income for the nine months ended September 30, 2012 would not have resulted in an adjustment to our income tax provision due to the utilization of the net operating losses carried forward from 2011. In addition, due to its non-recurring nature, the pro forma information does not reflect the recognition of a net deferred tax liability of approximately \$4.0 million, net of deferred tax assets and related valuation allowances, related to our tax status conversion from a limited liability company to a corporation prior to the consummation of this offering. Therefore, we have not presented any adjustments to the pro forma tax provision. Following the Offering, our effective tax rate is expected to be higher than in historical periods based on U.S. Federal and state income tax rates applicable to a corporation.

Pro forma weighted average common shares outstanding has been computed to give effect to the planned pro forma distribution to BC Holdings of \$225.0 million prior to January 1, 2013 and the actual distribution to BC Holdings of \$2.8 million during the nine months ended September 30, 2012. The shares deemed to be outstanding gives effect to the number of shares, assuming an initial public offering price of \$, whose proceeds would be necessary to pay the distributions to the extent that the distribution exceeds net income of \$26.4 million during the twelve months ended September 30, 2012.

Balance Sheet

Prior to the Offering, we plan to make a distribution to BC Holdings. The September 30, 2012 pro forma consolidated balance sheet reflects the expected distribution to BC Holdings of \$225.0 million with a corresponding decrease to cash and cash equivalents.

The September 30, 2012 pro forma consolidated balance sheet also gives effect to (i) our redemption of \$75.0 million of our senior subordinated notes with cash on hand and \$50.0 million borrowed under our Revolving Credit Facility on October 15, 2012; (ii) our issuance of \$250.0 million of 6.375% Senior Notes due 2020 on October 22, 2012 (the "Senior Notes Offering"); (iii) our issuance of a redemption notice on October 22, 2012 to redeem \$144.6 million of our senior subordinated notes on November 21, 2012 with a portion of the proceeds from the Senior Notes Offering; and (iv) a \$25.0 million repayment on our Revolving Credit Facility that we intend to make in advance of our \$225.0 million cash distribution to BC Holdings. In addition, the September 30, 2012 unaudited pro forma balance sheet gives effect to the write-off of deferred financing costs of \$1.5 million and payment of \$3.7 million of interest related to the redemption of the senior subordinated notes, as well as the

Boise Cascade, L.L.C.

Condensed Notes to Unaudited Quarterly Consolidated Financial Statements (Continued)

11. Pro Forma Information (unaudited) (Continued)

deferral of \$5.5 million in financing costs on the Senior Notes Offering. See Note 4, "Debt," for further discussion of these debt transactions.

Our pro forma consolidated balance sheet as of September 30, 2012 assumes our tax status conversion from a limited liability company to a corporation was effective on September 30, 2012 and, therefore, reflects the recognition of a net deferred tax liability of \$4.0 million, net of deferred tax assets and related valuation allowances.

Pro forma stockholders' equity is derived from our historical capital as of September 30, 2012 and has been computed to give effect to the pro forma recapitalization adjustments. As discussed above, we will be converted from a Delaware limited liability company into a Delaware corporation. Prior to the consummation of the conversion, each of the 1,000 common units of Boise Cascade will automatically be converted into _____ shares of Boise Cascade Company Common Stock.

The pro forma consolidated balance sheet also gives effect to our issuance and sale of _____ shares of common stock in the Offering at an assumed initial public offering price of \$ _____ per share, which is the midpoint of the price range listed on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

BC Holdings is controlled by Forest Products Holdings, L.L.C. ("FPH"). Equity units of FPH held by certain members of our management team are redeemable at the option of the holder in the event of death or disability or the sale of a division resulting in the termination of his or her employment. We have historically classified these units outside of our permanent equity because these units are subject to mandatory redemption (and may be subject to repayment by us) upon an event that is outside our control (i.e., death or disability). Our pro form consolidated balance sheet as of September 30, 2012 assumes we will reclassify these equity units as permanent equity because we will have no obligation to satisfy this redemption obligation on FPH's behalf following the Offering.

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Boise Cascade, L.L.C.:

We have audited the accompanying consolidated balance sheets of Boise Cascade, L.L.C. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income (loss), comprehensive income (loss), capital, and cash flows for each of the years in the three-year period ended December 31, 2011. 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 the standards of the Public Company Accounting Oversight Board (United States). 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, L.L.C. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Boise, Idaho
November 15, 2012

Table of Contents**Boise Cascade, L.L.C.****Consolidated Statements of Income (Loss)**

	Year Ended December 31		
	2011	2010	2009
	(thousands, except per share data)		
Sales			
Trade	\$ 2,229,325	\$ 2,215,332	\$ 1,935,353
Related parties	18,763	25,259	37,897
	2,248,088	2,240,591	1,973,250
Costs and expenses			
Materials, labor, and other operating expenses	1,952,619	1,947,362	1,757,068
Materials, labor, and other operating expenses from related parties	40,058	33,613	29,915
Depreciation and amortization	37,022	34,899	40,874
Selling and distribution expenses	204,998	202,464	190,431
General and administrative expenses	37,242	38,463	27,400
General and administrative expenses from related party		1,576	10,169
Other (income) expense, net	3,195	(4,624)	842
	2,275,134	2,253,753	2,056,699
Loss from operations	(27,046)	(13,162)	(83,449)
Foreign exchange gain (loss)	(497)	352	1,025
Change in fair value of contingent value rights			194
Gain on repurchase of long-term debt		28	6,026
Interest expense	(18,987)	(21,005)	(22,520)
Interest income	407	790	886
	(19,077)	(19,835)	(14,389)
Loss before income taxes	(46,123)	(32,997)	(97,838)
Income tax provision	(240)	(300)	(660)
Net loss	\$ (46,363)	\$ (33,297)	\$ (98,498)
Pro forma net loss per share (Note 17, unaudited)	\$		
Pro forma weighted average shares outstanding (Note 17, unaudited)			

See accompanying notes to consolidated financial statements.

Table of Contents**Boise Cascade, L.L.C.****Consolidated Statements of Comprehensive Income (Loss)**

	Year Ended December 31		
	2011	2010	2009
	(thousands)		
Net loss	\$ (46,363)	\$ (33,297)	\$ (98,498)
Other comprehensive income (loss)			
Defined benefit pension plans			
Net actuarial gain (loss)	(83,528)	(4,027)	44,099
Amount of actuarial (gain) loss	2,703	556	(378)
Amortization of prior service costs and other	175	178	181
Other comprehensive income (loss)	(80,650)	(3,293)	43,902
Comprehensive loss	\$ (127,013)	\$ (36,590)	\$ (54,596)

See accompanying notes to consolidated financial statements.

F-35

Table of Contents**Boise Cascade, L.L.C.****Consolidated Balance Sheets**

	December 31	
	2011	2010
	(thousands)	
ASSETS		
Current		
Cash and cash equivalents	\$ 182,455	\$ 264,601
Receivables		
Trade, less allowances of \$2,142 and \$2,492	118,901	102,906
Related parties	1,236	297
Other	3,796	4,571
Inventories	283,978	261,202
Prepaid expenses and other	4,864	3,808
	595,230	637,385
Property		
Property and equipment, net	266,456	273,569
Timber deposits	8,327	10,588
	274,783	284,157
Deferred financing costs	4,962	3,626
Goodwill	12,170	12,170
Intangible assets, net	8,900	8,906
Other assets	6,786	5,989
Total assets	\$ 902,831	\$ 952,233

See accompanying notes to consolidated financial statements.

Table of Contents

Boise Cascade, L.L.C.

Consolidated Balance Sheets (Continued)

	December 31	
	2011	2010
	(thousands, except for unit data)	
LIABILITIES AND CAPITAL		
Current		
Accounts payable		
Trade	\$ 116,758	\$ 112,414
Related parties	1,142	394
Accrued liabilities		
Compensation and benefits	32,267	39,827
Interest payable	3,326	3,291
Other	24,486	22,530
	177,979	178,456
Debt		
Long-term debt	219,560	219,560
Other		
Compensation and benefits	200,248	121,709
Other long-term liabilities	13,676	14,116
	213,924	135,825
Redeemable equity units	8,749	9,299
Commitments and contingent liabilities		
Capital		
Equity units, 1,000 units authorized, issued, and outstanding	403,464	449,288
Accumulated other comprehensive loss	(120,845)	(40,195)
Total capital	282,619	409,093
Total liabilities and capital	\$ 902,831	\$ 952,233

See accompanying notes to consolidated financial statements.

Table of Contents**Boise Cascade, L.L.C.****Consolidated Statements of Cash Flows**

	Year Ended December 31		
	2011	2010	2009
	(thousands)		
Cash provided by (used for) operations			
Net loss	\$ (46,363)	\$ (33,297)	\$ (98,498)
Items in net loss not using (providing) cash			
Depreciation and amortization, including deferred financing costs and other	39,232	37,674	43,679
Pension expense	11,368	7,449	12,315
Management equity units expense		1,625	2,736
Gain on repurchase of long-term debt		(28)	(6,026)
Other	2,220	(343)	728
Decrease (increase) in working capital, net of acquisitions			
Receivables	(15,675)	(6,338)	(17,250)
Inventories	(20,899)	(28,428)	47,086
Prepaid expenses and other	(72)	(300)	(569)
Accounts payable and accrued liabilities	1,878	32,419	11,441
Pension contributions	(13,621)	(3,873)	(28,385)
Other	(1,049)	3,727	(2,480)
Net cash provided by (used for) operations	(42,981)	10,287	(35,223)
Cash provided by (used for) investment			
Expenditures for property and equipment	(33,537)	(35,751)	(16,806)
Acquisitions of businesses and facilities	(5,782)		(4,598)
Proceeds from sale of assets	3,126	1,254	467
Other	(424)	(956)	637
Net cash used for investment	(36,617)	(35,453)	(20,300)
Cash provided by (used for) financing			
Credit facility financing costs	(2,548)		
Issuances of long-term debt		45,000	60,000
Payments of long-term debt		(128,451)	(65,627)
Proceeds from Boise Cascade Holdings, L.L.C., for sale of shares of Boise Inc.		86,117	83,172
Tax distributions to Boise Cascade Holdings, L.L.C.			(10,705)
Other			(18)
Net cash provided by (used for) financing	(2,548)	2,666	66,822
Increase (decrease) in cash and cash equivalents	(82,146)	(22,500)	11,299
Balance at beginning of the period	264,601	287,101	275,802
Balance at end of the period	\$ 182,455	\$ 264,601	\$ 287,101

See accompanying notes to consolidated financial statements.

Table of Contents**Boise Cascade, L.L.C.****Consolidated Statements of Capital**

	Equity Units	Total Capital
	(thousands, except for unit data)	
Balance at December 31, 2008	1,000	\$ 329,372
Net loss		(98,498)
Other comprehensive income (loss), net of tax		
Unfunded accumulated benefit obligation		43,902
Transfer of proceeds from Boise Cascade Holdings, L.L.C., for sale of Boise Inc. shares		83,172
Tax distributions to Boise Cascade Holdings, L.L.C., net		325
Allocation of redeemable equity units to capital		340
Transfer of Boise Inc. shares for contingent value rights settlement		313
Other		359
Balance at December 31, 2009	1,000	359,285
Net loss		(33,297)
Other comprehensive income (loss), net of tax		
Unfunded accumulated benefit obligation		(3,293)
Transfer of proceeds from Boise Cascade Holdings, L.L.C., for sale of Boise Inc. shares		86,123
Other		275
Balance at December 31, 2010	1,000	409,093
Net loss		(46,363)
Other comprehensive income (loss), net of tax		
Unfunded accumulated benefit obligation		(80,650)
Allocation of redeemable equity units to capital		550
Other		(11)
Balance at December 31, 2011	1,000	\$ 282,619

See accompanying notes to consolidated financial statements.

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements

1. Nature of Operations and Basis of Presentation

Nature of Operations

We are a privately held building products company headquartered in Boise, Idaho. Our operations began on October 29, 2004 (inception), when we acquired the forest products and paper assets of OfficeMax (the Forest Products Acquisition). As used in these consolidated financial statements, the terms "Boise Cascade," "we," and "our" refer to Boise Cascade, L.L.C., and its consolidated subsidiaries. Boise Cascade is 100% owned by Boise Cascade Holdings, L.L.C. (BC Holdings). We are a leading U.S. wholesale distributor of building products and one of the largest producers of engineered wood products (EWP) and plywood in North America.

We operate our business using three reportable segments: (1) Building Materials Distribution, which is a wholesale distributor of building materials, (2) Wood Products, which manufactures and sells EWP, plywood, particleboard, dimension lumber, and high-quality ponderosa pine lumber, and (3) Corporate and Other, which includes corporate support staff services, related assets and liabilities, and foreign exchange gains and losses. For more information, see Note 14, "Segment Information."

The following sets forth our corporate structure and equity ownership at December 31, 2011 (based on voting power):

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

1. Nature of Operations and Basis of Presentation (Continued)

Basis of Presentation and Comparability of Data

In connection with the sale of our Paper and Packaging & Newsprint assets in 2008, we received both cash and securities. Immediately following the sale, we distributed the securities received in the transaction to BC Holdings. As a result of receiving stock in Boise Inc., BC Holdings had a significant indirect financial interest in the results of the sold businesses. The equity interest BC Holdings owned in Boise Inc. and the related-party transactions we had with Boise Inc. after the sale represented a significant continuing involvement. In 2010 and 2009, BC Holdings sold 18.3 million and 18.8 million Boise Inc. shares and transferred the net proceeds of \$86.1 million and \$83.2 million to us. The 18.3 million shares sold in 2010 represented BC Holdings' remaining investment in Boise Inc. Because of the disposition, Boise Inc. is no longer a related party. The related-party activity with Boise Inc. included in the Consolidated Financial Statements includes only those sales and costs and expenses transacted prior to March 2010, when Boise Inc. was a related party. As a result, beginning in March 2010, transactions with Louisiana Timber Procurement Company, L.L.C. (LTP) (discussed in Note 4, "Transactions With Related Parties") represent the only remaining significant related-party activity recorded in our consolidated financial statements.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Boise Cascade and its subsidiaries. Intercompany balances and transactions have been eliminated.

Use of Estimates

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 about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable, inventories, goodwill, intangible assets, and other long-lived assets; legal contingencies; guarantee obligations; indemnifications; assumptions used in retirement benefits; and vendor and customer rebates, among others. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. We adjust such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in these estimates resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods.

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 or 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

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****2. Summary of Significant Accounting Policies (Continued)**

recognition is dependent on shipping terms. Revenue is recorded at the time of shipment for terms designated free on board (fob) shipping point. For sales transactions designated fob destination, revenue is recorded when the product is delivered to the customer's delivery site. Fees for shipping and handling charged to customers for sales transactions are included in "Sales." For our Wood Products segment, costs related to shipping and handling are included in "Materials, labor, and other operating expenses." For our Building Materials Distribution segment, costs related to shipping and handling of \$79.9 million, \$77.9 million, and \$73.8 million are included in "Selling and distribution expenses" for the years ended December 31, 2011, 2010, and 2009, respectively.

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. At December 31, 2011 and 2010, the majority of our cash and cash equivalents were invested in money market funds that are broadly diversified and invest in high-quality, short-duration securities, including commercial paper, certificates of deposit, U.S. government agency securities, and similar instruments. We have significant amounts of cash and cash equivalents that are in excess of federally insured limits. Though we have not experienced any losses on our cash and cash equivalents to date and we do not anticipate incurring any losses, we cannot be assured that we will not experience losses on our short-term investments.

Trade Accounts Receivables and Allowance for Doubtful Accounts

Trade accounts receivable are stated at the amount we expect to collect. Trade accounts receivable do not bear interest. We make ongoing estimates relating to the collectibility of our accounts receivable and maintain a reserve for estimated losses resulting from the inability of our customers to meet their financial obligations to us. At December 31, 2011 and 2010, we had \$2.1 million and \$2.5 million, respectively, recorded as allowances for doubtful accounts. In determining the amount of the reserve, we consider our historical level of credit losses, customer concentrations, current economic trends, and changes in customer creditworthiness. Our sales are principally to customers in the building products industry located in the United States and Canada. A significant portion of our sales are concentrated with a relatively small number of customers. In 2011, our top ten customers represented approximately 27% of sales. In order to manage credit risk, we consider customer concentrations and current economic trends and monitor the creditworthiness of significant customers based on ongoing credit evaluations. At both December 31, 2011 and 2010, the receivables from a single customer accounted for approximately 14% of total receivables. No other customer accounted for 10% or more of total receivables. Adjustments to the valuation allowance are charged to income. Trade accounts receivable balances that remain outstanding after we have used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

The significant decline in new residential construction in the U.S. and disruptions in the capital markets have affected the ability of our customers and our customers' customers to fund their operations, which makes it difficult for us to estimate future credit losses. Our actual future losses from uncollectible accounts may differ materially from our current estimates. As additional information becomes known, we may change our estimates. In the event we determine that a change in the reserve is appropriate, we will record a charge to "Selling and distribution expenses" in our Consolidated Statements of Income (Loss) in the period we make such a determination.

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy under U.S. generally accepted accounting principles (GAAP) gives the highest priority to quoted market prices (Level 1) and the lowest priority to unobservable inputs (Level 3). In general, and where applicable, we use quoted prices in active markets for identical assets or liabilities to determine fair value (Level 1). If quoted prices in active markets for identical assets or liabilities are not available to determine fair value, we use quoted prices for similar assets and liabilities or inputs that are observable either directly or indirectly (Level 2). If quoted prices for identical or similar assets are not available or are unobservable, we may use internally developed valuation models, whose inputs include bid prices and third-party valuations utilizing underlying asset assumptions (Level 3).

As of December 31, 2011 and 2010, we held \$164.6 million and \$247.4 million, respectively, in money market funds that are measured at fair value on a recurring basis using Level 1 inputs. See Note 11, "Retirement and Benefit Plans", for the fair value measurements of our defined benefit plans' assets.

Financial Instruments

Our financial instruments are cash, accounts receivable, accounts payable, and long-term debt. Our cash is recorded at cost, which approximates fair value. The recorded values of accounts receivable and accounts payable approximate fair values based on their short-term nature. Our debt is predominately fixed-rate. At December 31, 2011, the book value of our fixed-rate debt was \$219.6 million, and the fair value was estimated to be \$218.1 million. The difference between the book value and the fair value is derived from the difference between the period-end market interest rate and the stated rate of our fixed-rate, long-term debt. We estimated the fair value based on quoted market prices for our debt.

We are exposed to financial risks such as changes in interest rates, foreign currency exchange rates, and commodity price risk. We employ a variety of practices to manage these risks, including operating and financing activities and, where deemed appropriate, the use of derivative instruments. At December 31, 2011 and 2010, we had no derivative instruments.

Vendor and Customer Rebates and Allowances

We receive rebates and allowances from our vendors under a number of different programs, including vendor marketing programs. At December 31, 2011 and 2010, we had \$2.8 million and \$3.1 million, respectively, of vendor rebates and allowances recorded in "Receivables, Other" on the Consolidated Balance Sheets. Rebates and allowances received from our vendors 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.

We also provide rebates to our customers and our customers' customers based on the volume of their purchases. We provide the rebates to increase the sell-through of our products. The rebates are recorded as a decrease in "Sales, Trade." At December 31, 2011 and 2010, we had \$15.6 million and

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****2. Summary of Significant Accounting Policies (Continued)**

\$13.3 million, respectively, of rebates payable to our customers recorded in "Accrued liabilities, Other" on our Consolidated Balance Sheets.

Inventory Valuation

Inventories are valued at the lower of cost or market. Cost is based on the first-in, first-out (FIFO) method of inventory valuation or average cost, which approximates the FIFO method. Manufactured inventories include costs for materials, labor, and factory overhead. Log inventories include costs to harvest and deliver the timber.

Inventories include the following:

	December 31, 2011	December 31, 2010
	(thousands)	
Finished goods and work in process	\$ 223,605	\$ 210,547
Logs	41,243	33,816
Other raw materials and supplies	19,130	16,839
	\$ 283,978	\$ 261,202

Property and Equipment

Property and equipment are recorded at cost. Cost includes expenditures for major improvements and replacements and the amount of interest cost associated with significant capital additions. For the years ended December 31, 2011, 2010, and 2009, we did not capitalize any interest. We expense all repair and maintenance costs as incurred. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in income (loss). We use the straight-line method of depreciation.

Property and equipment consisted of the following asset classes with the following general range of estimated useful lives:

	December 31, 2011	December 31, 2010	General Range of Estimated Useful Lives in Years
	(thousands)		
Land	\$ 35,469	\$ 36,795	N/A
Buildings and improvements	117,155	112,952	10-40
Machinery and equipment	328,282	296,866	3-20
Construction in progress	5,812	17,523	N/A
	486,718	464,136	
Less accumulated depreciation	(220,262)	(190,567)	N/A
	\$ 266,456	\$ 273,569	

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Timber Deposits

We are a party to a number of long-term log and fiber supply agreements. At December 31, 2011, our total obligation for log and fiber purchases under contracts with third parties was approximately \$230 million based on fixed contract pricing or first quarter 2012 pricing for variable contracts. Under most of these log and fiber supply agreements, we have the right to cancel or reduce our commitments in the event of a mill curtailment or shutdown. Future purchase prices under most of these agreements will be set quarterly or semiannually based on regional market prices. Our log and fiber 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, log and fiber availability, and the status of environmental appeals. 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.

Long-Lived Asset Impairment

We review long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. An impairment of long-lived assets exists when the carrying value is not recoverable through future undiscounted cash flows from operations and when the carrying value of an asset or asset group exceeds its fair value.

Goodwill

We maintain two reporting units for purposes of our goodwill impairment testing, Building Materials Distribution and Wood Products, which are the same as our operating segments discussed in Note 14, "Segment Information." We test the goodwill in each of our reporting units for impairment annually and when events or changes in circumstances indicate that the carrying value of the asset may exceed fair value. We completed our annual assessment in fourth quarter 2011 and determined that there was no impairment. See Note 8, "Goodwill and Intangible Assets," for additional information.

Asset Retirement Obligations

We accrue for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation. When we record the liability, we capitalize the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its settlement value, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, we will recognize a gain or loss for any difference between the settlement amount and the liability recorded.

At December 31, 2011 and 2010, we had \$0.2 million and \$0.4 million, respectively, of asset retirement obligations recorded in "Other, Other long-term liabilities" on our Consolidated Balance Sheets. At December 31, 2011, these liabilities related primarily to landfill closure costs. The 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. We do not have any assets legally restricted for purposes of settling asset retirement obligations.

We have additional asset retirement obligations with indeterminate settlement dates. The fair value of these asset retirement obligations cannot be estimated due to the lack of sufficient information

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****2. Summary of Significant Accounting Policies (Continued)**

to estimate the settlement dates of the obligations. These asset retirement obligations include, for example, (i) removal and disposal of potentially hazardous materials on equipment and/or an operating facility if the equipment and/or facility were to undergo major maintenance, renovation, or demolition; (ii) wastewater treatment ponds that may be required to be drained and/or cleaned if the related operating facility is closed; and (iii) storage sites or owned facilities for which removal and/or disposal of chemicals and other related materials are required if the operating facility is closed. We will recognize a liability in the period in which sufficient information becomes available to reasonably estimate the fair value of these obligations.

Pension and Other Postretirement Benefits

We record pension and postretirement net periodic benefit costs and liabilities in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 715, Compensation Retirement Benefits. Several estimates and assumptions are required to record these costs and liabilities, including discount rates, expected return on plan assets, expected rate of compensation increases, retirement and mortality rates, expected contributions, and other factors. We review and update these assumptions annually unless a plan curtailment or other event occurs requiring that we update the estimates on an interim basis. See Note 11, "Retirement and Benefit Plans," for additional information related to our pension and other postretirement benefit plans. While we believe that the assumptions used to measure our pension and other postretirement obligations are reasonable, differences in actual experience or changes in assumptions may materially affect our pension and other postretirement obligations and future expense.

Deferred Software Costs

We defer internal-use software costs that benefit future years. These costs are amortized using the straight-line method over the expected life of the software, typically three to five years. "Other assets" in the Consolidated Balance Sheets includes \$4.6 million and \$3.5 million of deferred software costs at December 31, 2011 and 2010, respectively. For the years ended December 31, 2011, 2010, and 2009, amortization of deferred software costs was \$1.0 million, \$0.8 million, and \$0.6 million, respectively.

Taxes Collected

We present taxes collected from customers and remitted to governmental authorities on a net basis in our Consolidated Statements of Income (Loss).

Labor Concentration and Unions

As of December 31, 2011, we had approximately 4,280 employees. Approximately 32% of these employees work pursuant to collective bargaining agreements. As of December 31, 2011, we had ten collective bargaining agreements, of which five were up for renewal in 2012 and one agreement, covering 99 employees at our AllJoist facility in Canada, expired on December 31, 2011. We are continuing to work under the expired contract, pending negotiations. Negotiations related to this expired contract are ongoing. We do not expect material increases in our costs or work interruptions during the course of the negotiations. Nevertheless, if our expectations are not accurate, we could experience a material labor disruption or significantly increased labor costs at the AllJoist facility, which

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

could prevent us from meeting customer demand or reduce our sales and profitability. On August 2, 2012, we reached agreement on a four-year contract covering four Wood Products manufacturing facilities and one Building Materials Distribution location in the Pacific Northwest. The new agreements covering 623 current employees expire on May 31, 2016. We do not have any other labor negotiations scheduled for 2012.

Self-insurance

We are self-insured for certain losses related to workers' compensation and medical claims as well as general and auto liability. The expected ultimate cost for claims incurred are recognized as liabilities in the Consolidated Balance Sheets and are estimated based principally on an analysis of historical claims data and estimates of claims incurred but not reported. Losses are accrued and charged to operations when it is probable that a loss has been incurred and the amount can be reasonably estimated. We maintain third-party stop-loss insurance policies to cover these liability costs in excess of predetermined retained amounts, with the exception of medical claims, which are fully retained by us. Costs related to the administration of the plans and related claims are expensed as incurred. At December 31, 2011 and 2010, self-insurance related liabilities of \$5.9 million and \$5.6 million were classified within "Accrued liabilities, Compensation and benefits," \$1.7 million and \$1.5 million were classified within "Accrued liabilities, Other," and \$9.7 million and \$9.9 million were classified within "Other long-term liabilities" on our Consolidated Balance Sheets, respectively.

New and Recently Adopted Accounting Standards

In July 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2012-02, *Intangibles - Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment*, which gives entities the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount. The amended guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. We do not believe the adoption of this guidance will have a material impact on our consolidated financial statements.

In September 2011, the FASB issued Accounting Standards Update (ASU) 2011-09, *Compensation - Retirement Benefits - Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer's Participation in a Multiemployer Plan*, which increases the quantitative and qualitative disclosures an employer is required to provide about its participation in significant multiemployer plans that offer pension or other postretirement benefits. The objective is to enhance transparency about significant multiemployer plans in which an employer participates, the level of the employer's participation in those plans, the financial health of the plans, and the nature of the employer's commitments to the plans. ASU 2011-09 was effective for us as of December 31, 2011, but the adoption of this guidance did not have a material impact on our consolidated financial statements and associated disclosures.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****2. Summary of Significant Accounting Policies (Continued)**

In September 2011, the FASB issued ASU 2011-08, *Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment*, which gives entities testing goodwill for impairment the option of performing a qualitative assessment before calculating the fair value of a reporting unit in step 1 of the goodwill impairment test. If entities determine, on the basis of qualitative factors, that the fair value of a reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. Otherwise, further testing would not be needed. We adopted the provisions of this guidance January 1, 2012, and it had no effect on our financial position and results of operations.

In June 2011, the FASB issued ASU 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*, which amends current comprehensive income guidance. This accounting update eliminates the option to present the components of other comprehensive income as part of the statement of equity, among other amendments. Instead, the company must report comprehensive income in either a single continuous statement of comprehensive income which contains two sections, net income and other comprehensive income, or in two separate but consecutive statements. On December 23, 2011, the FASB issued ASU 2011-12, *Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05*, which defers the ASU 2011-05 requirement to present reclassification adjustments out of accumulated other comprehensive income by component in both the statement in which net income is presented and the statement in which other comprehensive income is presented (for both interim and annual financial statements). This requirement is being further deliberated by the FASB. We adopted this guidance retrospectively as of January 1, 2012, by adding the Consolidated Statements of Comprehensive Income (Loss) to our consolidated financial statements. In addition, accumulated other comprehensive loss was reclassified from equity units to a separate line in the Consolidated Balance Sheets.

In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRS)*. This ASU was issued to provide largely identical guidance about fair value measurement and disclosure requirements for entities that disclose the fair value of an asset, a liability, or an instrument classified in shareholders' equity in their consolidated financial statements as that provided in the International Accounting Standards Board's new IFRS 13, Fair Value Measurement. This ASU does not extend the use of fair value but, rather, provides guidance about how fair value should be applied where it already is required or permitted under GAAP. This guidance is to be applied prospectively for interim and annual periods beginning after December 15, 2011. Early adoption is not permitted. In the period of adoption, a reporting entity will be required to disclose a change, if any, in valuation technique and related inputs that results from applying the ASU to quantify the total effect, if practicable. The adoption of this guidance did not have a material impact on our financial statement disclosures.

There were no other accounting standards recently issued that had or are expected to have a material impact on our consolidated financial statements and associated disclosures.

Reclassifications

Certain amounts in prior years' consolidated financial statements have been reclassified to conform with the current year's presentation, none of which were considered material.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****3. Outsourcing Services Agreement**

Under an Outsourcing Services Agreement, Boise Inc. provides a number of corporate staff services to us at cost. These services include information technology, accounting, and human resource transactional services. The agreement, as extended, expires on February 22, 2014. The agreement automatically renews for successive one-year terms unless either party provides notice of termination to the other party at least 12 months in advance of the expiration date. The Outsourcing Services Agreement gives us (but not Boise Inc.) the right to terminate all or any portion of the services provided to us on 30 days' notice. Total expenses incurred under the Outsourcing Services Agreement, including both related party and nonrelated party, were \$14.7 million, \$14.4 million, and \$14.9 million for the years ended December 31, 2011, 2010, and 2009, respectively. The majority of these expenses are recorded in "General and administrative expenses" in our Consolidated Statements of Income (Loss) or "General and administrative expenses from related party" for the period Boise Inc. was a related party. See Note 4, "Transactions With Related Parties," for more information.

4. Transactions With Related Parties

In early March 2010, BC Holdings sold its remaining investment in Boise Inc. and because of the disposition, Boise Inc. is no longer a related party. The 2010 related-party activity with Boise Inc. in the consolidated financial statements includes only those sales and costs and expenses transacted prior to March 2010, when Boise Inc. was a related party. Beginning in March 2010, transactions with Louisiana Timber Procurement Company, L.L.C. (LTP) represent the only significant related-party activity recorded in our consolidated financial statements. LTP is an unconsolidated variable-interest entity that is 50% owned by us, and 50% owned by Boise Inc. LTP procures sawtimber, pulpwood, residual chips, and other residual wood fiber to meet the wood and fiber requirements of Boise Inc. and Boise Cascade. We are not the primary beneficiary of LTP, as we do not have power to direct the activities that most significantly affect the economic performance of LTP. Accordingly, we do not consolidate LTP's results in our financial statements.

Sales

Related-party sales to LTP from our Wood Products segment in our Consolidated Statements of Income (Loss) were \$18.8 million, \$20.4 million, and \$16.4 million during the years ended December 31, 2011, 2010, and 2009 respectively. We also recorded \$4.9 million and \$21.5 million of related-party sales to Boise Inc. (for the period they were a related party) during the years ended December 31, 2010 and 2009, respectively. These pulpwood and chip sales were made at prices designed to approximate market.

Costs and Expenses

Related-party fiber purchases from LTP were \$40.1 million, \$33.0 million, and \$25.5 million during the years ended December 31, 2011, 2010, and 2009, respectively. During the years ended December 31, 2010 and 2009, we also recorded \$0.3 million and \$2.3 million, respectively, of related-party expenses for transportation services from Boise Inc. (for the period they were a related party). We purchased the fiber and transportation services at prices designed to approximate market. These costs are recorded in "Materials, labor, and other operating expenses from related parties" in our Consolidated Statements of Income (Loss).

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****4. Transactions With Related Parties (Continued)**

During the years ended December 31, 2010 and 2009, we recorded the following expenses from the Outsourcing Services Agreement as related-party expenses in our Consolidated Statements of Income (Loss). As mentioned above, after we sold our remaining investment in Boise Inc. in March 2010, expenses incurred under the Outsourcing Services Agreement were no longer related-party and are not included in the table below.

	Year Ended December 31	
	2010	2009
	(thousands)	
Materials, labor, and other operating expenses from related parties	\$ 332	\$ 2,099
Selling and distribution expenses	456	2,670
General and administrative expenses from related party	1,576	10,169
	\$ 2,364	\$ 14,938

Tax Distributions

We make cash distributions to permit the members of BC Holdings and affiliates to pay income taxes. For information on our tax distributions see Note 7, "Income Taxes."

5. Other (Income) Expense

Other (income) expense 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		
	2011	2010	2009
	(thousands)		
Facility closure and curtailments(a)	\$ 1,292	\$	\$ 3,184
Litigation settlement(b)		(4,613)	
Changes in pension plans (See Note 11)			(747)
Other, net(c)	1,903	(11)	(1,595)
	\$ 3,195	\$ (4,624)	\$ 842

(a)

In 2011, we permanently closed a laminated beam manufacturing plant in Emmett, Idaho.

In 2009, we closed the lumber manufacturing facility in La Grande, Oregon, and recorded \$3.1 million of expense in "Other (income) expense, net," \$5.2 million of accelerated depreciation in "Depreciation and amortization," and \$0.6 million of expenses in "Materials, labor, and other operating expenses" in our Consolidated Statement of Income (Loss).

(b)

In 2010, we recorded \$4.6 million of income for cash received from a litigation settlement related to vendor product pricing.

(c)

In 2011, we recorded noncash asset write-downs of \$2.0 million.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****6. Leases**

We lease a portion of our distribution centers as well as other property and equipment under operating leases. Substantially all lease agreements have fixed payment terms based on the passage of time. Some lease agreements provide us with the option to purchase the leased property. Additionally, some agreements contain renewal options ranging from two to five years, with fixed payment terms similar to those in the original lease agreements.

For purposes of determining straight-line rent expense, the lease term is calculated from the date we first take possession of the facility, including any periods of free rent and any renewal option periods we are reasonably assured of exercising. Rental expense for operating leases was \$14.5 million, \$14.2 million, and \$13.1 million for the years ended December 31, 2011, 2010, and 2009. Sublease rental income was not material in any of the periods presented.

As of December 31, 2011, our minimum lease payment requirements for noncancelable operating leases with remaining terms of more than one year are as follows (in thousands):

2012	\$ 12,086
2013	11,703
2014	10,980
2015	10,294
2016	8,441
Thereafter	41,444
Total	\$ 94,948

These future minimum lease payment requirements have not been reduced by sublease rentals due in the future under noncancelable subleases. Minimum sublease income expected to be received in the future is not material.

7. Income Taxes*Tax Distributions*

We are a limited liability company, and the majority of our businesses and assets are held and operated by limited liability companies, which are not subject to entity-level federal or state income taxation. The income taxes with respect to these operations are payable by BC Holdings' equityholders in accordance with their respective ownership percentages. We make cash distributions to BC Holdings to permit the members of BC Holdings and affiliates to pay these taxes. In 2011 and 2010, we did not make any cash tax distributions. For the year ended December 31, 2009, we made \$10.7 million of cash distributions to BC Holdings, of which \$8.1 million was paid to Forest Products Holdings, L.L.C. (FPH). During 2009, FPH in turn paid \$5.2 million to Madison Dearborn Partners (MDP), BC Holdings' equity sponsor, and \$2.9 million to management investors. During 2009, BC Holdings also paid \$2.6 million to OfficeMax to fund their tax obligations related to their investments in BC Holdings. Both our senior credit facilities and the indenture governing our senior subordinated notes permit these distributions.

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

7. Income Taxes (Continued)

Income Tax (Provision) Benefit

Our income tax provision generally consists of income taxes payable to states that do not allow for the income tax liability to be passed through to our equityholders, as well as income taxes payable by our separate subsidiaries that are taxed as corporations. For the years ended December 31, 2011, 2010, and 2009, income tax expense was \$0.2 million, \$0.3 million, and \$0.7 million, respectively.

At December 31, 2011 and 2010, our tax basis was \$167.5 million and \$84.9 million, respectively, higher than the reported amount of net assets recorded on our Consolidated Balance Sheets. In 2011 and 2010, the difference related primarily to changes in pension obligations.

Boise Cascade Wood Products Holdings Corp., a wholly owned, fully consolidated operating entity, has an investment in foreign subsidiaries. At December 31, 2011 and 2010, the foreign subsidiaries had \$13.6 million and \$17.9 million, respectively, of deferred tax assets. The deferred tax assets resulted primarily from net operating losses and were fully offset by a valuation allowance. In addition, at both December 31, 2011 and 2010, Boise Cascade Wood Products Holdings Corp. had \$16.0 million of deferred tax assets related to the capital loss carryforward from the sale of our subsidiaries in Brazil and the United Kingdom. The capital loss carryforward was fully offset by a valuation allowance, because it is more likely than not that we will not be able to utilize the capital loss carryforward before it expires in 2013.

In 2011, 2010, and 2009, we paid \$0.3 million, \$0.2 million, and \$0.4 million, respectively, of income taxes, net of other refunds received.

Income Tax Uncertainties

BC Holdings, or one of its subsidiaries, files federal income tax returns in the U.S. and Canada and various state and foreign income tax returns in the major state jurisdictions of Alabama, California, Idaho, Oregon, Texas, and Washington. We are subject to tax examinations from 2008 to present.

We recognize tax liabilities and adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available or as new uncertainties occur. In third quarter 2007, the Canadian Revenue Agency began an audit of Boise AllJoist for tax years 2005 and 2006, which is now closed. At December 31, 2009, we increased the amount of our unrecognized tax benefit by \$5.8 million as a result of uncertainty surrounding this audit. We charged the \$5.8 million of unrecognized tax benefits to income tax expense, with an offsetting adjustment to the valuation allowances on deferred tax assets related to Boise AllJoist's net operating losses. As a result, the net impact on the 2009 Consolidated Statement of Income (Loss) was zero. The audit was closed in 2010 with no additional changes, and because of sufficient net operating loss carryforwards from prior years, no cash payments were required. After closing the audit, we have no unrecognized tax benefits recorded on our Consolidated Balance Sheet, and we do not expect a significant change to the amount of unrecognized tax benefits over the next 12 months.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****7. Income Taxes (Continued)**

A reconciliation of the unrecognized tax benefits is as follows:

	Year Ended December 31	
	2010	2009
	(thousands)	
Unrecognized tax benefits, beginning of year	\$ 5,792	\$
Gross increases related to prior-period tax positions		5,792
Settlements	(5,792)	
Unrecognized tax benefits, end of year	\$	\$ 5,792

For the years ended December 31, 2011, 2010, and 2009, we recognized an insignificant amount of interest and penalties related to taxes.

8. Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price and related costs over the value assigned to the net tangible and intangible assets of businesses acquired.

We test goodwill and intangible assets with indefinite lives for impairment when events or changes in circumstances indicate that the carrying value of the asset may exceed fair value. Additionally, we test for impairment annually in the fourth quarter of each year using a discounted cash flow approach. We also evaluate the remaining useful lives of our finite-lived purchased intangible assets to determine whether any adjustments to the useful lives are necessary. We maintain two reporting units for purposes of our goodwill and intangible asset impairment testing, Building Materials Distribution and Wood Products, which are the same as our operating segments discussed in Note 14, "Segment Information." We completed our annual assessment in fourth quarter 2011 and determined there was no impairment. In conducting our impairment analysis, we utilize the discounted cash flow approach that estimates the projected future cash flows, discounted to present value using a discount rate reflecting market participant assumptions with respect to capital structure and access to capital markets.

The carrying amount of our goodwill by segment is as follows:

	Building Materials Distribution	Wood Products	Corporate and Other	Total
	(thousands)			
Balance at December 31, 2011 and 2010	\$ 5,593	\$ 6,577	\$	\$ 12,170

At December 31, 2011 and 2010, intangible assets represent the values assigned to trade names and trademarks and a noncompete agreement. The trade names and trademarks have indefinite lives and are not amortized. The noncompete agreement was amortized over two years.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****8. Goodwill and Intangible Assets (Continued)**

Intangible assets consisted of the following:

	December 31, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(thousands)		
Trade names and trademarks	\$ 8,900	\$	\$ 8,900
Noncompete agreement	25	(25)	
	\$ 8,925	\$ (25)	\$ 8,900

	December 31, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(thousands)		
Trade names and trademarks	\$ 8,900	\$	\$ 8,900
Noncompete agreement	25	(19)	6
	\$ 8,925	\$ (19)	\$ 8,906

9. Debt

At December 31, 2011 and 2010, our long-term debt consisted of the following:

	December 31, 2011	December 31, 2010
	(thousands)	
Asset-based revolving credit facilities	\$	\$
7.125% senior subordinated notes	219,560	219,560
Long-term debt	219,560	219,560
Current portion of long-term debt	(25,000)	
Long-term debt, less current portion	\$ 194,560	\$ 219,560

Asset-Based Revolving Credit Facilities

On July 13, 2011, Boise Cascade and our principal operating subsidiaries, Boise Cascade Wood Products, L.L.C., and Boise Cascade Building Materials Distribution, L.L.C., as borrowers, and Boise Cascade Wood Products Holdings Corp., as guarantor, entered into a new \$250 million senior secured asset-based revolving credit facility (New Revolving Credit Facility) with Wells Fargo Capital Finance, L.L.C. (Wells Fargo), as agent, and the banks named therein as lenders. The New Revolving Credit Facility replaced our previous senior secured asset-based revolving credit facility with Bank of America (Prior Revolving Credit Facility) discussed below. Borrowings under the New Revolving Credit Facility are constrained by a borrowing base formula dependent upon levels of eligible receivables and inventory reduced by outstanding borrowings and letters of credit (Availability). On September 7, 2012, we entered into a First Amendment to Credit Agreement, which increased the aggregate lending commitments under the New Revolving Credit Facility to \$300 million. Other key terms of the Credit Agreement were unchanged by the Amendment.

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

9. Debt (Continued)

The New Revolving Credit Facility has a maturity date of July 13, 2016. The New Revolving Credit Facility is secured by a first-priority security interest in substantially all of our assets, except for property and equipment. The proceeds of borrowings under the agreement are available for working capital and other general corporate purposes.

Interest rates under the New Revolving Credit Facility are based, at the company's election, on either the London Interbank Offered Rate (LIBOR) or a base rate, as defined in the agreement, plus a spread over the index elected that ranges from 1.75% to 2.25% for loans based on LIBOR and from 0.75% to 1.25% for loans based on the base rate. The spread is determined on the basis of a pricing grid that results in a higher spread as average quarterly Availability declines. Letters of credit are subject to a 0.15% fronting fee payable to the issuing bank and a fee payable to the lenders equal to the LIBOR margin rate. In addition, we are required to pay an unused commitment fee at a rate ranging from 0.375% to 0.50% per annum (based on facility utilization) of the average unused portion of the lending commitments.

The New Revolving Credit Facility contains customary nonfinancial covenants, including a negative pledge covenant and restrictions on new indebtedness, investments, distributions to equityholders, asset sales, and affiliate transactions, the scope of which are dependent on the Availability existing from time to time. The New Revolving Credit Facility also contains a requirement that we meet a 1:1 fixed-charge coverage ratio (FCCR) if Availability falls below the greater of \$31.25 million or 12.5% of the aggregate lending commitments. Availability exceeded the minimum threshold amounts required for testing of the FCCR at all times since entering into the New Revolving Credit Facility, and Availability at December 31, 2011, was \$173.1 million. At December 31, 2011, our aggregate liquidity from unrestricted cash and cash equivalents and unused borrowing capacity (net of the Availability threshold amount for testing of the FCCR, as applicable) under the New Revolving Credit Facility totaled \$324.3 million.

The Prior Revolving Credit Facility provided up to \$170 million in borrowing capacity. On April 1, 2010, we borrowed \$45.0 million under the Prior Revolving Credit Facility, bringing the total amount outstanding to \$120.0 million. On April 30, 2010, we repaid the \$120.0 million.

Interest rates under the Prior Revolving Credit Facility were based on either the prime rate plus 1.00% to 1.50% or LIBOR plus 2.50% to 3.00%, subject to quarterly adjustment based on the average availability under the Prior Revolving Credit Facility during the prior quarter. Letters of credit were subject to a 0.15% fronting fee payable to the issuing bank and a fee payable to the lenders. The Prior Revolving Credit Facility also contained borrowing base limitations and customary financial and nonfinancial covenants and imposed unused commitment fees on the amount of the total facility that was not drawn down on a quarterly basis.

At December 31, 2011 and 2010, we had no borrowings outstanding under the credit facilities and approximately \$11.3 million and \$13.8 million, respectively, of letters of credit outstanding. These letters of credit reduced our borrowing capacity under the credit facilities by an equivalent amount. The minimum and maximum borrowings under the credit facilities were both zero during the year ended December 31, 2011. On October 12, 2012, we borrowed \$50.0 million under the New Revolving Credit Facility to partially fund the redemption of \$75.0 million of our senior subordinated notes, as discussed further below.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****9. Debt (Continued)***Senior Subordinated Notes*

In October 2004, we issued \$400.0 million of 7.125% senior subordinated notes due in 2014. In July 2005, we completed an exchange offer whereby all of our senior subordinated notes were exchanged for registered securities with identical terms (other than terms relating to registration rights) to the notes issued in October 2004. We could redeem all or part of the notes at any time at redemption prices set forth in the indenture governing the notes (Indenture). Redemption prices reduced to par value in October 2012. With the proceeds from the sale of our Paper and Packaging & Newsprint assets, we repurchased \$160.0 million of the notes at par in April 2008. In 2010, we repurchased \$8.6 million of senior subordinated notes and recorded an insignificant gain. In 2009, we repurchased \$11.9 million of senior subordinated notes and recorded a \$6.0 million gain in "Gain on repurchase of long-term debt" in our Consolidated Statement of Income (Loss). On October 15, 2012, we redeemed \$75.0 million of the notes at par value with \$25.0 million of cash on hand and \$50.0 million borrowed under our New Revolving Credit Facility. On October 22, 2012, the trustee under the senior subordinated notes indenture, at our request, irrevocably called for redemption on November 21, 2012, all of our outstanding senior subordinated notes. Simultaneously, we irrevocably deposited \$144.6 million of the proceeds from our senior notes offering described below, with our senior subordinated notes trustee, in an amount sufficient to pay and discharge the entire indebtedness on the senior subordinated notes for principal, plus \$1.0 million of accrued and unpaid interest, to November 21, 2012. The senior subordinated notes trustee acknowledged that as of October 22, 2012, our obligations and those of the guarantors were discharged and satisfied, and neither we nor the guarantors generally had any further obligations to the senior subordinated notes trustee or the holders of our senior subordinated notes. The senior subordinated notes trustee further acknowledged the automatic release of the guarantees of the guarantors under our senior subordinated notes indenture. Upon such satisfaction and discharge, our senior subordinated notes indenture generally ceased to be of further effect.

Debt Refinancing

On October 22, 2012, Boise Cascade and its wholly owned subsidiary, Boise Cascade Finance Corporation (together, the Co-issuers), issued a \$250 million aggregate principal amount of 6.375% senior notes due November 1, 2020 (Senior Notes) through a private placement that is exempt from the registration requirements of the Securities Act of 1933 (Securities Act), as amended. The Senior Notes pay interest semiannually in arrears on May 1 and November 1, commencing on May 1, 2013. As a result of this refinancing, we extended the maturity of our debt and lowered our interest rate. The Senior Notes are guaranteed by each of Boise Cascade's existing and future direct or indirect domestic subsidiaries that is a guarantor or co-borrower under our New Revolving Credit Facility, other than Boise Cascade Finance Corporation. The Senior Notes are also guaranteed by BC Holdings, until such time, if ever, that Boise Cascade's common stock is listed on any national securities exchange.

Following the sale of the Senior Notes, we used a portion of the net proceeds of the sale to repay the senior subordinated notes at par plus accrued and unpaid interest through the redemption date. The remaining proceeds will be available for general corporate purposes.

In connection with the issuance of the Senior Notes, the Co-issuers entered into a registration rights agreement, dated as of October 22, 2012 (Senior Notes Registration Rights Agreement). The Senior Notes Registration Rights Agreement requires us to register under the Securities Act the Senior Notes having substantially identical terms to those of the Senior Notes (Exchange Notes) and to

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

9. Debt (Continued)

complete an exchange of the privately placed Senior Notes for the publicly registered Exchange Notes on or prior to October 21, 2013 or, in certain circumstances, to file and keep effective a shelf registration statement for resale of the Senior Notes. If we fail to satisfy these obligations, we will pay additional interest up to 0.25% per annum to holders of the Senior Notes for the first 90-day period immediately following such date, and by an additional 0.25% per annum with respect to each subsequent 90-day period, up to a maximum rate of 1.0% per annum.

The Senior Notes are senior unsecured obligations and rank equally with all of the Co-issuers' and guarantors' existing and future senior indebtedness, senior to all of their existing and future subordinated indebtedness, effectively subordinated to all of their present and future senior secured indebtedness (including all borrowings with respect to our New Revolving Credit Facility to the extent of the value of the assets securing such indebtedness), and structurally subordinated to the indebtedness of any subsidiaries that do not guarantee the Senior Notes.

The terms of the indenture governing the Senior Notes, among other things, limit the ability of the Co-issuers and certain Boise Cascade subsidiaries to: incur additional debt; declare or pay dividends; redeem stock or make other distributions to stockholders; make investments; create liens on assets; consolidate, merge, or transfer substantially all of their assets; enter into transactions with affiliates; and sell or transfer certain assets.

The indenture governing the Senior Notes provides for customary events of default, which include (subject in certain cases to customary grace and cure periods and notification requirements), among others: nonpayment of principal or interest; breach of other agreements in the indenture governing the Senior Notes; defaults in failure to pay certain other indebtedness; the rendering of judgments to pay certain amounts of money against the Co-issuers, the guarantors, or certain Boise Cascade subsidiaries; the failure of certain guarantees to be enforceable; and certain events of bankruptcy or insolvency.

Cash Paid for Interest

For the years ended December 31, 2011, 2010, and 2009, cash payments for interest, net of interest capitalized, were \$16.7 million, \$18.6 million, and \$20.0 million, respectively.

10. Financial Instrument Risk

In the normal course of business, we are exposed to financial risks such as changes in interest rates, foreign currency exchange rates, and commodity price risk. In 2011, 2010, and 2009, we did not use derivative instruments.

Interest Rate Risk

When we have loan amounts outstanding on our New Revolving Credit Facility, we are exposed to interest rate risk arising from fluctuations in interest rates. In 2011, 2010, and 2009, we did not use any interest rate swap contracts to manage this risk.

Foreign Currency Risk

We have sales in countries outside the United States. As a result, we are exposed to movements in foreign currency exchange rates, primarily in Canada, but we do not believe our

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

10. Financial Instrument Risk (Continued)

exposure to currency fluctuations is significant. In 2011, 2010, and 2009, we did not use any foreign currency hedges to manage this risk.

Commodity Price Risk

Many of the products we manufacture or purchase and resell and some of our key production inputs are commodities whose price is determined by the market's supply and demand for such products. Price fluctuations in our selling prices and key costs have a significant effect on our financial performance. The markets for most of these commodities are cyclical and are affected by factors such as global economic conditions, including the strength of the U.S. housing market, changes in or disruptions to industry production capacity, changes in inventory levels, and other factors beyond our control. In 2011, 2010, and 2009, we did not manage commodity price risk with derivative instruments.

11. Retirement and Benefit Plans

Our retirement plans consist of noncontributory defined benefit pension plans, including supplemental nonqualified pension plans for certain salaried employees, contributory defined contribution savings plans, a deferred compensation plan, and postretirement benefit plans.

Defined Benefit Plans

Some of our employees are covered by noncontributory defined benefit pension plans. On November 9, 2011, we amended our defined benefit pension plan for hourly employees of Plan B (Plan B) to freeze Plan B so that no future benefits accrue after December 31, 2011. The benefit for hourly employees is generally based on a fixed amount per year of service (years of service for Plan B participants to be determined as of December 31, 2011). In connection with this amendment, we recognized a \$0.1 million noncash curtailment loss during the year ended December 31, 2011.

On March 18, 2009, we amended our defined benefit plan for salaried employees (Salaried Plan) to freeze the Salaried Plan so that no future benefits accrue after December 31, 2009. The amendment also froze benefits in our nonqualified salaried pension plans. When frozen, the pension benefit for salaried employees was based primarily on the employees' years of service and highest five-year average compensation (years of service and compensation for active employees to be determined as of December 31, 2009). In connection with this amendment, we recognized a net \$0.7 million noncash curtailment gain related to our nonqualified salaried pension plans. We recorded the gain in "Other (income) expense, net" in our Consolidated Statement of Income (Loss) for the year ended December 31, 2009. The curtailment gain associated with the amendment to the Salaried Plan was applied to unrecognized losses in the plan, resulting in no immediate gain recognition related to the Salaried Plan freeze.

As a result of the plan amendments noted above, only certain hourly employees continue to accrue benefits after December 31, 2011. Also, in connection with the Plan B amendment, Plan B was merged into the Salaried Plan to simplify administration of the plans, effective January 1, 2012.

Defined Contribution Plans

We sponsor contributory defined contribution savings plans for most of our salaried and hourly employees, and we generally provide company contributions to the savings plans. For the period of

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)*****11. Retirement and Benefit Plans (Continued)***

January 1, 2009, through March 31, 2009, we matched 70% of the first 6% of eligible compensation that a salaried participant contributed to the plan. Due to poor business conditions, we suspended the company match for salaried employees for the period of April 1, 2009, through February 28, 2010. However, certain salaried employees not participating in our defined benefit plans also received a discretionary match equal to 30% of the first 6% of eligible compensation that the salaried participant contributed to the plan for the twelve months ended December 31, 2009. Since March 1, 2010, we have contributed 4% of each salaried participant's eligible compensation to the plan as a nondiscretionary company contribution. In addition, for the years that certain performance targets are met, we will contribute an additional amount that will range from zero to 4% of the employee's eligible compensation, depending on the employee's years of service. The company contributions for hourly employees vary by location. Company contributions to our defined contribution savings plans for the years ended December 31, 2011, 2010, and 2009, were \$7.7 million, \$6.7 million, and \$3.5 million, respectively.

Deferred Compensation Plan

We sponsor a deferred compensation plan. In 2008, Congress passed tax legislation that required participants in our deferred compensation plan to recognize income (and therefore be taxed) on their deferrals of income earned in 2009 and beyond and earnings thereon. We amended the plan to require distribution before year-end 2009 of all deferrals to, and earnings of, the plan that were taxable under the new legislation. As a result, we distributed \$1.1 million of deferrals and related earnings to participants in 2009. Deferrals, company match, and interest on contributions made to the plan on or before December 31, 2008, were not affected by the changes. As long as contributions to the plan are taxable under the new legislation, there will be no future contributions to the deferred compensation plan, but participant account balances remaining after the distributions will continue to accrue earnings in accordance with the terms of the plan.

The deferred compensation plan is unfunded; therefore, benefits are paid from our general assets. For the years ended December 31, 2011, 2010, and 2009, we recognized \$0.7 million, \$0.8 million, and \$0.9 million, respectively, of interest expense related to the plan. At December 31, 2011 and 2010, we had \$11.4 million and \$11.5 million, respectively, of liabilities related to the plan, of which \$1.0 million and \$0.7 million, respectively, were recorded in "Accrued liabilities, Compensation and benefits" and \$10.4 million and \$10.8 million, respectively, were recorded in "Other, Compensation and benefits" on our Consolidated Balance Sheets.

Postretirement Benefit Plans

Certain executives participate in our Supplemental Life Plan, which provides them with an insured death benefit during their employment with us. The plan provides the officer with a target death benefit equal to two times his or her base salary while employed and a target postretirement death benefit equal to one times his or her final base salary, in each case less any amount payable under our group term life insurance policy. At December 31, 2011 and 2010, our benefit obligation related to the Supplemental Life Plan was \$0.1 million and \$0.2 million, respectively.

We participate in a multiemployer health and welfare plan that covers medical, dental, and life insurance benefits for certain active employees as well as benefits for retired employees. As of December 31, 2011, approximately 610 of our employees participated in this plan. Per the terms of the

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****11. Retirement and Benefit Plans (Continued)**

representative collective bargaining agreements, we are required to contribute \$5.50 per hour per active employee. The administrator of the plan determines the allocation of benefits between active and retired employees.

Defined Benefit Obligations and Funded Status

The following table, which includes only company-sponsored defined benefit plans, reconciles the beginning and ending balances of our projected benefit obligation and fair value of plan assets. We recognize the underfunded status of our defined pension plans on our Consolidated Balance Sheets. We recognize changes in funded status in the year changes occur through other comprehensive income (loss).

	December 31	
	2011	2010
	(thousands)	
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 391,485	\$ 352,335
Service cost	5,112	4,931
Interest cost	20,484	20,258
Actuarial loss(a)	67,121	25,743
Special termination benefits	503	
Closure and curtailments	224	
Benefits paid	(14,825)	(11,782)
Benefit obligation at end of year	470,104	391,485
Change in plan assets		
Fair value of plan assets at beginning of year	281,972	249,712
Actual return on plan assets	1,427	40,169
Employer contributions	13,621	3,873
Benefits paid	(14,825)	(11,782)
Fair value of plan assets at end of year	282,195	281,972
Underfunded status	\$ (187,909)	\$ (109,513)
Amounts recognized on our Consolidated Balance Sheets		
Current liabilities	\$ (759)	\$ (858)
Noncurrent liabilities	(187,150)	(108,655)
Net liability	\$ (187,909)	\$ (109,513)
Amounts recognized in accumulated other comprehensive loss		
Net actuarial loss	\$ 120,125	\$ 39,223
Prior service cost	720	972
Net amount recognized	\$ 120,845	\$ 40,195

(a)

The actuarial losses were primarily due to decreases in discount rate assumptions.

F-60

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****11. Retirement and Benefit Plans (Continued)**

The accumulated benefit obligation for all defined benefit pension plans was \$470.1 million and \$391.5 million at December 31, 2011 and 2010, respectively. All of our defined benefit pension plans have accumulated benefit obligations that exceed the fair value of plan assets.

Net Periodic Benefit Cost and Other Comprehensive (Income) Loss

The components of net periodic benefit cost and other amounts recognized in other comprehensive (income) loss are as follows:

	Year Ended December 31		
	2011	2010	2009
	(thousands)		
Service cost	\$ 5,112	\$ 4,931	\$ 9,688
Interest cost	20,484	20,258	19,923
Expected return on plan assets	(17,910)	(18,474)	(18,553)
Amortization of actuarial (gain) loss	2,703	556	(388)
Amortization of prior service costs and other	175	178	181
Plan settlement/curtailment expense	804		1,464
Net periodic benefit cost	11,368	7,449	12,315
Changes in plan assets and benefit obligations recognized in other comprehensive (income) loss			
Net (gain) loss	83,528	4,048	(44,226)
Prior service cost			70
Amortization of actuarial gain (loss)	(2,703)	(556)	388
Amortization of prior service cost and other	(175)	(178)	(181)
Total recognized in other comprehensive (income) loss	80,650	3,314	(43,949)
Total recognized in net periodic cost (benefit) and other comprehensive (income) loss	\$ 92,018	\$ 10,763	\$ (31,634)

In 2012, we estimate net periodic pension expense will be approximately \$13 million. We estimate the 2012 net periodic pension expense will include \$8.1 million of net loss and \$0.2 million of prior service cost that will be amortized from accumulated other comprehensive loss.

Assumptions

The assumptions used in accounting for our plans are estimates of factors that will determine, among other things, the amount and timing of future contributions. The following table presents the assumptions used in the measurement of our benefit obligations:

	December 31	
	2011	2010
Weighted average assumptions		
Discount rate	4.20%	5.35%
Rate of compensation increases(b)		

F-61

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****11. Retirement and Benefit Plans (Continued)**

The following table presents the assumptions used in the measurement of net periodic benefit cost:

	December 31		
	2011	2010	2009
Weighted average assumptions			
Discount rate(a)	5.35%	5.90%	6.90%
Expected long-term rate of return on plan assets	7.00%	7.25%	7.25%
Rate of compensation increases(b)			

(a) We used a 6.1% discount rate to calculate 2009 pension expense. On March 18, 2009, the salaried and nonqualified benefit plans were amended so that no future benefits would accrue after December 31, 2009. In connection with the amendment, we remeasured pension expense for the amended plans for the period of March 18, 2009, through December 31, 2009, using a 6.9% discount rate. We continued to recognize expense for the plans that were not amended using the 6.1% discount rate.

(b) In connection with amending the salaried and nonqualified plans on March 18, 2009, to freeze pension benefits effective December 31, 2009, we changed the assumption for the rate of compensation increase to zero. In addition to the salaried benefits being frozen, there are currently no scheduled increases in pension benefit rates applicable to past service in the active plan covering our hourly employees.

Discount Rate Assumption. The discount rate reflects the current rate at which the pension obligations could be settled based on the measurement date of the plans December 31. In all years presented, the discount rates were determined by matching the expected plan benefit payments against a spot rate yield curve constructed to replicate the yields of Aa-graded corporate bonds.

Asset Return Assumption. 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 (equities, fixed-income securities, hedge funds, and real estate) in which we invest. The weights we assign each asset class are based on our investment strategy. Expected returns for the asset classes are based on long-term historical returns, inflation expectations, forecasted gross domestic product, earnings growth, and other economic factors. We developed our return assumption based on a review of the fund manager's estimates of future market expectations by broad asset class, actuarial projections, and expected long-term rates of return from external investment managers. The weighted average expected return on plan assets we will use in our calculation of 2012 net periodic benefit cost is 6.75%.

Rate of Compensation Increases. Generally, this assumption reflects our long-term actual experience, the near-term outlook, and assumed inflation. For more information, see footnote (b) to the table above.

Investment Policies and Strategies

At December 31, 2011, 61% of our pension plan assets were invested in equity securities, 29% in fixed-income securities, 5% in hedge funds, and 5% in real estate. The general investment objective for all of our plan assets is to optimize growth of the pension plan trust assets, while minimizing the

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

11. Retirement and Benefit Plans (Continued)

risk of significant losses in order to enable the plans to satisfy their benefit payment obligations over time. The objectives take into account the long-term nature of the benefit obligations, the liquidity needs of the plans, and the expected risk/return trade-offs of the asset classes in which the plans may choose to invest. The Retirement Funds Investment Committee is responsible for establishing and overseeing the implementation of our investment policy. Russell Investments (Russell) oversees the active management of our pension investments through its manager of managers program in order to achieve broad diversification in a cost-effective manner. At December 31, 2011, our investment policy governing our relationship with Russell allocated 34% to large-capitalization U.S. equity securities, 6% to small- and mid-capitalization U.S. equity securities, 20% to international equity securities, 30% to fixed-income securities, 5% to hedge funds, and 5% to real estate. Our arrangement with Russell allows monthly rebalancing to the policy targets noted above.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risk, all of which are subject to change. In addition, our overall investment strategy and related allocations between equity and fixed-income securities may change from time to time based on market conditions, external economic factors, and the funded status of our plans. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the reported amounts.

Fair Value Measurements of Plan Assets

The defined benefit plans hold an interest in the Boise Cascade, L.L.C., Master Trust (Master Trust). The assets in the Master Trust are invested in common and collective trusts that hold several mutual funds invested in U.S. equities, international equities, and fixed-income securities, as well as hedge funds and real estate.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****11. Retirement and Benefit Plans (Continued)**

The following table sets forth by level, within the fair value hierarchy, the pension plan assets, by major asset category, at fair value at December 31, 2011 and 2010:

	Quoted Prices in Active Market for Identical Assets (Level 1)	December 31, 2011		Total
		Significant Other Observable Inputs (Level 2)(a)	Significant Unobservable Inputs (Level 3)	
(thousands)				
Equity securities				
Large-cap U.S. equity securities(b)	\$	\$	97,533	\$ 97,533
Small- and mid-cap U.S. equity securities(c)			17,302	17,302
International equity securities(d)			56,578	56,578
Fixed-income securities(e)			83,899	83,899
Hedge fund(g)			13,066	13,066
Real estate(h)				13,000
Total investments at fair value	\$	\$	268,378	\$ 281,378
Receivables and accrued expenses, net				817
Fair value of plan assets				\$ 282,195

	Quoted Prices in Active Market for Identical Assets (Level 1)	December 31, 2010		Total
		Significant Other Observable Inputs (Level 2)(a)	Significant Unobservable Inputs (Level 3)	
(thousands)				
Equity securities				
Large-cap U.S. equity securities(b)	\$	\$	107,033	\$ 107,033
Small- and mid-cap U.S. equity securities(c)			20,193	20,193
International equity securities(d)			45,811	45,811
Fixed-income securities(e)(f)			108,198	108,198
Total investments at fair value	\$	\$	281,235	\$ 281,235
Receivables and accrued expenses, net				737
Fair value of plan assets				\$ 281,972

(a) Equity and fixed-income securities represent mutual funds managed by Russell Trust Company. The funds are valued at the net asset value (NAV) provided by Russell Trust Company, the administrator of the funds. The NAV is a practical expedient for fair value and is based on the value of the assets owned by the fund, less liabilities at year-end. While the underlying assets are actively traded on an

exchange, the funds are not. We have the ability to redeem these equity and fixed-income securities with a one-day notice.

F-64

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

11. Retirement and Benefit Plans (Continued)

- (b) Invested in the Russell Equity I Fund. The fund seeks returns that exceed the Russell 1000 Index by investing in large capitalization stocks of the U.S. stock market.
- (c) Invested in the Russell Equity II Fund. The fund seeks returns that exceed the Russell 2500 Index by investing in the small- and mid-capitalization stocks of the U.S. stock market.
- (d) Invested in the Russell International Fund with Active Currency at December 31, 2011 and 2010, which benchmarks against the Morgan Stanley Capital International Europe, Australasia, and Far East (MSCI EAFE) Index and seeks high, long-term returns comparable to the broad international stock market by investing in non-U.S. companies from the developed countries around the world. The funds participate primarily in the stock markets of Europe and the Pacific Rim. The strategy involves selection of stocks within various countries and industries worldwide. In addition, the Russell International Fund with Active Currency places additional emphasis on opportunistically adding value through active investment in foreign currencies.
- (e) At December 31, 2011 and 2010, approximately 100% and 50%, respectively, of the fixed-income securities were in the Russell Multi-Manager Bond Fund. The fund seeks to outperform the Barclays Capital U.S. Aggregate Bond Index over a full market cycle. The fund is designed to provide current income and, as a secondary objective, capital appreciation through a variety of diversified strategies, including sector rotation, modest interest rate timing, security selection, and tactical use of high-yield and emerging market bonds.
- (f) At December 31, 2010, approximately 50% of the fixed-income securities were in the Russell Long Duration Fixed Income Fund. The fund seeks to achieve above-average performance (relative to the Barclays Capital U.S. Long Government/Credit Bond Index) by combining manager styles and strategies with different payoffs over various phases of an investment cycle. The fund is designed to provide maximum total return through diversified strategies, including sector rotation, modest interest rate timing, security selection, and tactical use of high-yield and emerging market bonds.
- (g) The fund seeks to produce high risk-adjusted returns while targeting a low long-term average correlation to traditional markets. The fund invests internationally in a broad range of instruments, including, but not limited to, equities, currencies, convertible securities, futures, forwards, options, swaps and other derivative products. The fair value of the hedge fund is estimated using the NAV of the investments as a practical expedient for fair value. We have the ability to redeem these investments at NAV within the near term, and they are thus classified within Level 2.
- (h) Real estate investments include those in limited partnerships that invest in various domestic commercial and residential real estate projects. The fair values of real estate assets are typically determined by using income and/or cost approaches or a comparable sales approach, taking into consideration discount and capitalization rates, financial conditions, local market conditions, and the status of the capital markets, and they are thus classified within Level 3. We have the ability to redeem the real estate investments with a 110-calendar-day written notice prior to a quarterly trade date.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****11. Retirement and Benefit Plans (Continued)**

The following table sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the period ended December 31, 2011:

	Real Estate (thousands)
Balance, beginning of year	\$
Purchases	13,000
Unrealized gain	
Balance, end of year	\$ 13,000

Cash Flows

Our practice is to fund the pension plans in amounts sufficient to meet the minimum requirements of U.S. federal laws and regulations. Additional discretionary funding may be provided as deemed appropriate. For the years ended December 31, 2011, 2010, and 2009, we made cash contributions to our pension plans totaling \$13.6 million, \$3.9 million, and \$28.4 million, respectively.

On July 13, 2012, we contributed company-owned real property to the pension plans from two locations in our Building Materials Distribution segment. The pension plans obtained independent appraisals of the properties, and based on these appraisals, the plans recorded the contribution at fair value of \$9.7 million on July 13, 2012.

We are leasing back the contributed properties for an initial term of ten years with two five-year extension options and continue to use the properties in our distribution operations. Rent payments are made quarterly, with first-year annual rents of \$0.8 million and 2% annual escalation rates thereafter. Each lease provides us a right of first refusal on any subsequent sale by the pension plans, as well as repurchase options at the end of the initial term and extension periods. The plans engaged an independent fiduciary who negotiated the lease terms and also manages the properties on behalf of the plans.

We determined that the contribution of the properties does not meet the accounting definition of a plan asset within the scope of Accounting Standards Codification 715, *Compensation Retirement Benefits*. Accordingly, the contributed properties will not be considered a contribution for accounting purposes and, as a result, will not be included in plan assets and will have no impact on the net pension liability recorded on our Consolidated Balance Sheets. We will continue to depreciate the carrying value of the properties in our financial statements, and no gain or loss will be recognized at the contribution date for accounting purposes. Lease payments will be recorded as pension contributions.

In the first nine months of 2012, we made \$8.2 million in cash contributions to the pension plans. The total cash and real property contributions are expected to satisfy U.S. Department of Labor minimum pension contribution requirements for 2012 in light of recently passed pension funding relief legislation.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****11. Retirement and Benefit Plans (Continued)**

The following benefit payments are expected to be paid to plan participants. Qualified pension benefit payments are paid from plan assets, while nonqualified pension benefit payments are paid by the company.

	Pension Benefits
	(thousands)
2012	\$ 16,554
2013	17,798
2014	19,586
2015	21,391
2016	22,879
Years 2017-2021	134,404

12. Long-Term Incentive Compensation Plans*Long-Term Incentive Cash Plan*

In 2011 and 2010, key managers participated in a long-term incentive plan (LTIP) that pays awards in cash. The LTIP provides an annual award notice to participants granting them the opportunity to earn a cash award that is based on a target percentage of the participant's base salary and the company's achievement against corporate goals, both of which are set annually. Under the LTIP, the award, if any, is paid in three equal installments due no later than March 15 of the three years following the year the award was granted with continued employment as a precondition for receipt of each award installment. We recognize compensation expense based on the probability of the performance goals being met over the vesting period. We recognized \$2.4 million and \$3.0 million of LTIP expense in 2011 and 2010, respectively.

Management Equity Agreement

Certain key managers and unaffiliated directors (each a management investor) have purchased or been awarded, pursuant to the terms of separate Management Equity Agreements or Director Equity Agreements (collectively the Equity Plan), equity units in FPH at prices (with respect to Series B Units) that approximated fair value on the date of purchase. Those who purchased the FPH Series B equity units received grants of FPH Series C equity units (profit interests) that represent the right to participate in profits. In addition, FPH has issued Series C equity units to key managers and nonaffiliated directors for no consideration.

Compensation Expense

We did not recognize compensation expense on the date of grant for the Series B equity units, because the fair value of the units issued by FPH was equal to or less than the amount each employee was required to pay. The Series C equity units are accounted for as restricted stock. We recognized compensation expense for the Series C equity units based on the fair value on the date of the grant and/or the award modification date. Compensation expense was recognized ratably over the vesting period for the Series C equity units that vest over time and ratably over the award period for the units that vest based on internal rates of return. During the years ended December 31, 2010 and 2009, we recognized \$1.6 million and \$2.7 million, respectively, of compensation expense, which was primarily

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

12. Long-Term Incentive Compensation Plans (Continued)

recorded in "General and administrative expenses." No related compensation expense was recorded in 2011, as all equity units were fully vested or forfeited as of December 31, 2010.

Redemption Provisions

The FPH Series B and Series C equity units held by management investors are redeemable at FPH's option upon termination of the management investor's employment (or membership on the company's board of directors) and at the option of the holder in the event of death or disability or the sale of a division resulting in the termination of his or her employment. The 7.125% senior subordinated notes and our New Revolving Credit Facility, as well as our Senior Notes issued on October 22, 2012, contain a restricted payments covenant with a specific exception for equity unit redemptions up to \$5 million in any year, subject to a two-year carryforward and carryback provision that provides an aggregate limit in any one year of \$15 million. Additional exceptions to the covenant may also be utilized to permit equity unit redemptions. See Note 9, "Debt," for a discussion of debt transactions subsequent to December 31, 2011.

Except in the event of death or disability, BC Holdings believes that the redemption of these units is within its control due to the interlocking boards of FPH and BC Holdings and because FPH was organized solely for the purpose of establishing BC Holdings to complete the Forest Products Acquisition. Repurchases under the Equity Plan have been funded by mirror-image redemptions of Series B and Series C equity units held by FPH in its subsidiaries. The redemption of the FPH Series B and Series C equity units and the expected parallel redemptions of our Series B and Series C equity units are a contingent event outside the employee's control. However, because FPH units are subject to mandatory redemption in an event that is outside BC Holdings' control (death or disability), these units are required to be classified outside of permanent equity on the Consolidated Balance Sheets at fair value as of the grant date and/or award modification date. Accordingly, at December 31, 2011 and 2010, BC Holdings recorded and allocated to us \$8.7 million and \$9.3 million, respectively, which we recorded in "Redeemable equity units" on our Consolidated Balance Sheets.

In the event that a management investor's employment with us is terminated or his service as a director terminates, as the case may be, FPH holds an option, pursuant to the Equity Plan, to reacquire its equity units held by departing management investors at prices provided for in such agreements. FPH did not redeem or repurchase any equity units in 2011 and 2010. During 2009, FPH voluntarily redeemed an insignificant amount of the Series B and Series C equity units of departing management investors.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****12. Long-Term Incentive Compensation Plans (Continued)***Activity of Redeemable Equity Units*

The following summarizes the activity of the redeemable equity units, based on the fair value of the equity units as of the grant date or the date the awards were modified.

	Series B Equity Units		Series C Equity Units		Total Redeemable Equity
	Units	Amount	Units	Amount	
			(thousands)		
Balance at December 31, 2009	2,765	\$ 2,765	16,270	\$ 5,202	\$ 7,967
Management equity units expense				1,625	1,625
Allocation of redeemable equity units to Capital(a)	(29)	(29)	(27)	(16)	(45)
Forfeitures			(1,818)	(248)	(248)
Balance at December 31, 2010	2,736	2,736	14,425	6,563	9,299
Allocation of redeemable equity units to Capital(a)	(214)	(214)	(710)	(336)	(550)
Balance at December 31, 2011	2,522	\$ 2,522	13,715	\$ 6,227	\$ 8,749

(a)

In 2011 and 2010, we reclassified certain redeemable equity units into "Capital" on our Consolidated Balance Sheets. The reclassifications resulted from employee retirements or terminations causing the equity units to no longer be subject to mandatory redemption in an event that is outside of BC Holdings' control.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****12. Long-Term Incentive Compensation Plans (Continued)**

The following summarizes the activity of the outstanding service- and market-condition equity units awarded under the Equity Plan as of December 31, 2011, 2010, and 2009, and changes during the years ended December 31, 2011 and 2010:

Outstanding Units	Service Condition				Market Condition	
	Series B Redeemable Equity Units		Series C Redeemable Equity Units		Series C Redeemable Equity Units	
	Units	Weighted Average Grant-Date Fair Value	Units	Weighted Average Grant-Date Fair Value	Units	Weighted Average Grant-Date Fair Value
	(thousands)		(thousands)		(thousands)	
Outstanding at December 31, 2009(a)	2,765	\$ 1.00	14,452	\$ 0.46	1,818	\$ 0.14
Forfeited(b)					(1,818)	0.14
Allocation of redeemable equity units to Capital	(29)	1.00	(27)	0.57		
Outstanding at December 31, 2010(a)	2,736	1.00	14,425	0.46		
Allocation of redeemable equity units to Capital	(214)	1.00	(710)	0.47		
Outstanding at December 31, 2011(a)	2,522	\$ 1.00	13,715	\$ 0.45		\$

(a) Outstanding units at December 31, 2009 include both vested and nonvested units, as units outstanding are reduced only through repurchase of units or forfeiture of units by employees. All Series B and Series C service-condition equity units were vested at December 31, 2011 and 2010.

(b) On December 31, 2010, the remaining 1.8 million unvested market-condition Series C equity units were forfeited, as the Equity Plan's internal rate-of-return formula was not achieved during the vesting period.

As of December 31, 2010, all Series B and Series C service-condition equity units were vested, and all compensation expense related to the equity units had been recognized.

13. Capital

Boise Cascade has authorized and issued 1,000 voting common units to BC Holdings. The equity units entitle holders to one vote on matters to be voted on by the members of Boise Cascade. Distributions are allocated to holders of the units pro rata based on the number of common units held by each holder.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****13. Capital (Continued)***Accumulated Other Comprehensive Income (Loss)*

Accumulated other comprehensive income (loss) includes the following:

	Unfunded Accumulated Benefit Obligation		Accumulated Other Comprehensive Income (Loss)
	Actuarial Gain (Loss)	Prior Service Cost	
		(thousands)	
Balance at December 31, 2009, net of taxes	\$ (35,752)	\$ (1,150)	\$ (36,902)
Current-period changes, before taxes	(4,027)		(4,027)
Reclassifications to earnings, before taxes	556	178	734
Income taxes			
Balance at December 31, 2010, net of taxes	(39,223)	(972)	(40,195)
Current-period changes, before taxes	(83,605)	77	(83,528)
Reclassifications to earnings, before taxes	2,703	175	2,878
Income taxes			
Balance at December 31, 2011, net of taxes	\$ (120,125)	\$ (720)	\$ (120,845)

14. Segment Information

We operate our business using three reportable segments: Building Materials Distribution, Wood Products, and Corporate and Other. These segments represent distinct businesses that are managed separately because of differing products and services. Each of these businesses requires distinct operating and marketing strategies. Management reviews the performance of the company based on these segments.

Our Building Materials Distribution segment is a leading national stocking wholesale distributor of building materials. We distribute a broad line of building materials, including engineered wood products (EWP), oriented strand board (OSB), plywood, lumber, and general line items such as framing accessories, composite decking, roofing, siding, and insulation. We purchase most of these building materials from third-party suppliers and market them primarily to pro dealers, retail lumberyards, and home improvement centers that then sell the products to the final end-users, who are typically professional builders, independent contractors, and homeowners engaged in residential construction projects.

Our Wood Products segment manufactures and sells EWP, consisting of laminated veneer lumber (LVL), a high-strength engineered lumber often used in beams; I-joists, a structural support typically used in floors and roofs; and laminated beams. We also produce plywood, particleboard, dimension lumber, and high-quality ponderosa pine lumber, a premium lumber grade sold primarily to manufacturers of specialty wood windows, moldings, and doors. Our wood products are used primarily in residential, light commercial construction, and repair and remodeling markets. Most of these products are sold to wholesalers (including our Building Materials Distribution segment), home improvement centers, and industrial converters. During 2011, approximately 34% of Wood Products overall sales, including approximately 64% of Wood Products EWP sales, was sold to our Building Materials Distribution segment.

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****14. Segment Information (Continued)**

Our Corporate and Other segment includes corporate support staff services, related assets and liabilities, and foreign exchange gains and losses. These support services include, but are not limited to, finance, accounting, legal, information technology, and human resource functions. We have purchased many of these services from Boise Inc. under an Outsourcing Services Agreement, under which Boise Inc. provides a number of corporate staff services to us at cost. See Note 3, "Outsourcing Services Agreement," for more information.

The segments' profits and losses are measured on operating profits before changes in fair value of contingent value rights, gain on repurchase of long-term debt, interest expense, and interest income. Specified expenses are allocated to the segments. For many 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 2, "Summary of Significant Accounting Policies."

For the years ended December 31, 2011 and 2010, sales to one customer accounted for \$210.4 million and \$231.4 million, respectively, or approximately 10% of sales for both periods. Sales to this customer were recorded in our Building Materials Distribution and our Wood Products segments. No other single customer accounted for 10% or more of total sales.

Export sales to foreign unaffiliated customers were \$57.3 million, \$42.3 million, and \$25.8 million for the years ended December 31, 2011, 2010, and 2009, respectively.

At December 31, 2011, 2010, and 2009, and for the years then ended, long-lived assets located in foreign countries and net sales originating in foreign countries were not material.

Segment sales to external customers, including related parties, by product line are as follows:

	Year Ended December 31		
	2011	2010	2009
	(millions)		
Building Materials Distribution			
Commodity	\$ 835.1	\$ 879.0	\$ 744.8
General line	722.0	697.0	687.9
Engineered wood products	220.8	200.6	176.4
	1,777.9	1,776.6	1,609.1
Wood Products			
Plywood and veneer	214.5	224.0	174.6
Engineered wood products	92.1	86.5	61.2
Lumber	69.6	67.5	53.3
Byproducts	44.5	33.9	26.4
Particleboard	26.1	28.2	29.4
Other	23.3	24.0	19.1
	470.2	464.0	364.1
	\$ 2,248.1	\$ 2,240.6	\$ 1,973.3

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

14. Segment Information (Continued)

An analysis of our operations by segment is as follows:

	Sales			Total	Income (Loss) Before Income Taxes	Depreciation and Amortization	EBITDA (g)	Capital Expendi- tures (b)	Assets
	Trade	Related Parties	Inter- segment						
(millions)									
Year Ended									
December 31, 2011									
Building Materials									
Distribution(a)	\$ 1,777.9	\$	\$ 1.4	\$ 1,779.4	\$ 2.0	\$ 8.4	\$ 10.4	\$ 10.0	\$ 366.9
Wood Products(a)	451.4	18.8	242.3	712.5	(15.1)	28.4	13.3	29.3	351.6
Corporate and Other					(14.5)	0.2	(14.2)		184.3
Intersegment eliminations			(243.7)	(243.7)					
	\$ 2,229.3	\$ 18.8	\$	\$ 2,248.1	(27.5)	\$ 37.0	\$ 9.5	\$ 39.3	\$ 902.8
Interest expense					(19.0)				
Interest income					0.4				
									\$ (46.1)

	Sales			Total	Income (Loss) Before Income Taxes	Depreciation and Amortization	EBITDA (g)	Capital Expendi- tures (b)	Assets
	Trade	Related Parties	Inter- segment						
(millions)									
Year Ended									
December 31, 2010									
Building Materials									
Distribution(c)	\$ 1,776.6	\$	\$ 1.4	\$ 1,778.0	\$ 11.6	\$ 7.5	\$ 19.1	\$ 12.9	\$ 356.4
Wood Products(c)	438.8	25.3	223.4	687.4	(8.1)	27.1	19.0	22.9	335.3
Corporate and Other					(16.3)	0.3	(16.0)		260.6
Intersegment eliminations			(224.8)	(224.8)					
	\$ 2,215.3	\$ 25.3	\$	\$ 2,240.6	(12.8)	\$ 34.9	\$ 22.1	\$ 35.8	\$ 952.2
Interest expense					(21.0)				
Interest income					0.8				
									\$ (33.0)

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

14. Segment Information (Continued)

	Sales			Total	Income	Depreciation	EBITDA	Capital	Assets
	Trade	Related Parties	Inter-segment		(Loss) Before Income Taxes	and Amortization		(g)	
(millions)									
Year Ended December 31, 2009									
Building Materials Distribution	\$ 1,609.1	\$	\$ 0.6	\$ 1,609.8	\$ 8.0	\$ 7.6	\$ 15.5	\$ 5.4	\$ 321.2
Wood Products(d)	326.2	37.9	186.7	550.8	(77.3)	33.0	(44.3)	16.0	328.3
Corporate and Other					(13.1)	0.3	(12.8)		288.4
Intersegment eliminations			(187.3)	(187.3)					
	\$ 1,935.4	\$ 37.9	\$	\$ 1,973.3	(82.4)	\$ 40.9	(41.6)	\$ 21.4	\$ 937.9
Change in fair value of contingent value rights					0.2		0.2		
Gain on repurchase of long-term debt(e)					6.0		6.0		
Interest expense					(22.5)				
Interest income					0.9				
					\$ (97.8)		\$ (35.3)		

- (a) In 2011, we permanently closed a laminated beam plant in Emmett, Idaho, and we recorded the related expense of \$1.3 million in "Other (income) expense, net" and \$0.4 million of accelerated depreciation in "Depreciation and Amortization" in our Consolidated Statement of Income (Loss) for the year ended December 31, 2011. Also, during the year ended December 31, 2011, we recorded \$2.0 million of noncash asset write-downs in "Other (income) expense, net," of which \$1.2 million was recorded in our Building Materials Distribution segment and \$0.9 million was recorded in our Wood Products segment.
- (b) Capital spending for Wood Products includes \$5.8 million for the acquisition of a laminated beam and decking manufacturing plant in Homedale, Idaho.
- (c) Included \$4.6 million of income for cash received from a litigation settlement related to vendor product pricing. We recorded \$4.1 million in our Building Materials Distribution segment and \$0.5 million in our Wood Products segment.
- (d) Included \$8.9 million of expense in income (loss) before taxes related to the June 2009 closure of our lumber manufacturing facility in La Grande, Oregon, of which \$3.7 million was included in EBITDA and \$5.2 million was accelerated depreciation recorded in "Depreciation and amortization."
- (e) Gain on the repurchase of \$11.9 million of senior subordinated notes.
- (f) Capital spending for Building Materials Distribution includes \$0.9 million of cash paid for the purchase of a truss assembly operation and EWP sales office in Saco and Biddeford, Maine, respectively. Capital spending for Wood Products includes \$3.7 million of cash paid for the purchase of a sawmill in Pilot Rock, Oregon.
- (g)

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EBITDA represents income (loss) before interest (interest expense and interest income), income taxes, and depreciation and amortization. EBITDA is the primary measure used by our chief operating decision maker to evaluate segment operating performance and to decide how to allocate resources to segments. We believe EBITDA is useful to investors because it provides a means to evaluate the operating performance of our segments and our company on an ongoing basis using criteria that are used by our internal decision makers and because it is frequently used by investors and other interested parties when comparing companies in our industry that have different financing and capital structures and/or tax rates. We believe EBITDA is a meaningful measure because it presents a transparent view of our recurring operating performance and allows management to readily view operating trends, perform analytical comparisons, and identify strategies to improve operating performance. EBITDA, however, is not a measure of our liquidity or financial performance under generally accepted accounting principles (GAAP) and should not be considered as an alternative to net income (loss), income (loss) from operations, or any other performance measure derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity. The use of EBITDA instead of net income (loss) or segment income (loss) has limitations as an analytical

F-74

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****14. Segment Information (Continued)**

tool, including the inability to determine profitability; the exclusion of interest expense, interest income, and associated significant cash requirements; and the exclusion of depreciation and amortization, which represent unavoidable operating costs. Management compensates for the limitations of EBITDA by relying on our GAAP results. Our measure of EBITDA is not necessarily comparable to other similarly titled captions of other companies due to potential inconsistencies in the methods of calculation.

The following is a reconciliation of net income (loss) to EBITDA for the consolidated company:

	Year Ended December 31		
	2011	2010	2009
	(thousands)		
Net loss	\$ (46.4)	\$ (33.3)	\$ (98.5)
Interest expense	19.0	21.0	22.5
Interest income	(0.4)	(0.8)	(0.9)
Income tax provision	0.2	0.3	0.7
Depreciation and amortization	37.0	34.9	40.9
EBITDA	\$ 9.5	\$ 22.1	\$ (35.3)

15. Commitments, Legal Proceedings and Contingencies, and Guarantees*Commitments*

We have commitments for leases and long-term debt that are discussed further in Note 6, "Leases," and Note 9, "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 are a party to a number of long-term log and fiber supply agreements. At December 31, 2011, our total obligation for log and fiber purchases under contracts with third parties was approximately \$230 million based on fixed contract pricing or first quarter 2012 pricing for variable contracts. Under most of these log and fiber supply agreements, we have the right to cancel or reduce our commitments in the event of a mill curtailment or shutdown. Future purchase prices under most of these agreements will be set quarterly or semiannually based on regional market prices. Our log and fiber 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, log and fiber availability, and the status of environmental appeals. 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.

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. At December 31, 2011, we had approximately \$8.0 million of utility purchase commitments. These payment obligations were valued at prices in effect on December 31, 2011, or contract language, if applicable. Because we consume the energy in the manufacture of our products, these obligations represent the face value of the contracts, not resale value.

Legal Proceedings and Contingencies

We are a party to routine legal proceedings that arise in the ordinary course of our business. We are not currently a party to any legal proceedings or environmental claims that we believe would,

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

15. Commitments, Legal Proceedings and Contingencies, and Guarantees (Continued)

individually or in the aggregate, have a material adverse effect on our financial position, results of operations, or cash flows.

Guarantees

We provide guarantees, indemnifications, and assurances to others.

Boise Cascade and its subsidiaries (Boise Cascade Building Materials Distribution, L.L.C., and Boise Cascade Wood Products, L.L.C.) act as co-borrowers under the New Revolving Credit Facility, described in Note 9, Debt. Their obligations are guaranteed by each of our remaining domestic subsidiaries.

Boise Cascade and its wholly owned subsidiary, Boise Cascade Finance Corporation, have jointly issued \$400.0 million of 7.125% senior subordinated notes due in 2014. At December 31, 2011, \$219.6 million of the notes were outstanding. The senior subordinated notes are guaranteed on a senior subordinated basis jointly and severally by BC Holdings and each of its existing and future domestic subsidiaries (other than: (i) the co-issuers, Boise Cascade and Boise Cascade Finance Corporation, and (ii) our foreign subsidiaries). See Note 9, "Debt," for more information, as well as a discussion of debt transactions subsequent to December 31, 2011.

Boise Cascade issued guarantees to a limited number of trade creditors of one or more of its principal operating subsidiaries, Boise Cascade Building Materials Distribution, L.L.C., and Boise Cascade Wood Products, L.L.C., for trade credit obligations arising in the ordinary course of the business of such operating subsidiaries. These included guarantees of the obligations of Boise Cascade Wood Products, L.L.C., with respect to present and future timber sale agreements and several facility and rolling stock leases entered into by such subsidiaries and by Boise Cascade Building Materials Distribution, L.L.C. Our exposure under these agreements is limited to future timber purchases and the minimum lease payment requirements under the agreements. We also enter into guarantees of various raw material or energy supply agreements arising in the ordinary course of business.

All surety bonds and most letters of credit supporting obligations of subsidiaries sold or liabilities assumed by Boise Inc. in connection with the sale of our Paper and Packaging & Newsprint assets in 2008 have been replaced by new surety bonds or letters of credit issued without our credit support. The principal exception is letters of credit supporting workers' compensation obligations assumed by Boise Inc., which as a matter of state law must remain in our name even though the underlying liabilities and exposures have been assumed by Boise Inc. We are entitled to an indemnification from the purchaser for liabilities with respect to such letters of credit arising from workers' compensation claims assumed by Boise Inc. and for our costs of maintaining Boise Inc.'s share of any such letter of credit.

We enter into a wide range of indemnification arrangements in the ordinary course of business. These include tort indemnifications, tax indemnifications, financing transactions, indemnifications against third-party claims arising out of arrangements to provide services to us, and indemnifications in merger and acquisition agreements. At December 31, 2011, we are unable to estimate the maximum potential liability under these indemnifications. At December 31, 2011, we were not aware of any material liabilities arising from these indemnifications.

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

16. Consolidating Guarantor and Nonguarantor Financial Information

The following consolidating financial information presents the Statements of Comprehensive Income (Loss), Balance Sheets, and Cash Flows related to Boise Cascade. The senior subordinated notes are guaranteed on a senior subordinated basis jointly and severally by BC Holdings and each of its existing and future subsidiaries (other than: (i) the co-issuers, Boise Cascade and Boise Cascade Finance Corporation and (ii) our foreign subsidiaries). BC Holdings is a holding company with no material assets other than the equity interests of its direct subsidiaries. In addition, the financial statements of BC Holdings are available to the public through BC Holdings' 2011 Annual Report on Form 10-K filed with the Securities and Exchange Commission in accordance with the Securities Exchange Act of 1934. Other than the consolidated financial statements and footnotes for Boise Cascade and the consolidating financial information, financial statements and other disclosures concerning the guarantors have not been presented because management believes that such information is not material to investors.

Furthermore, the cancellation provisions of the guarantor subsidiaries are customary and they do not include an arrangement that permits a guarantor subsidiary to opt out of the obligation prior to or during the term of the debt. Each guarantor subsidiary is automatically released from its obligations as a guarantor upon the sale of the subsidiary or substantially all of its assets to a third party, the designation of the subsidiary as an unrestricted subsidiary for purposes of the covenants included in the indenture, the release of the indebtedness under the indenture, or if the issuers exercise their legal defeasance option or the discharge of their obligations in accordance with the indenture.

See Note 9, "Debt," for a discussion of debt transactions subsequent to December 31, 2011.

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	13,964	2,244,405	27,922	(11,157)	2,275,134
Loss from operations	(13,964)	(9,659)	(3,423)		(27,046)
Foreign exchange gain (loss)	(510)	20	(7)		(497)
Interest expense	(18,987)				(18,987)
Interest income	185	222			407
	(19,312)	242	(7)		(19,077)
Loss before income taxes and equity in net loss of affiliates	(33,276)	(9,417)	(3,430)		(46,123)
Income tax provision	(216)	(24)			(240)
Loss before equity in net loss of affiliates	(33,492)	(9,441)	(3,430)		(46,363)
Equity in net loss of affiliates	(12,871)			12,871	
Net loss	(46,363)	(9,441)	(3,430)	12,871	(46,363)
Other comprehensive loss					
Defined benefit pension plans					
Net actuarial loss	(83,528)				(83,528)
Amortization of actuarial loss	2,703				2,703
Amortization of prior service costs and other	175				175
Other comprehensive loss	(80,650)				(80,650)
Comprehensive loss	\$ (127,013)	\$ (9,441)	\$ (3,430)	\$ 12,871	\$ (127,013)

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General and administrative expenses from related party

Other (income) expense, net	373	(4,881)	(116)	(4,624)
	<u>16,695</u>	<u>2,216,884</u>	<u>34,629</u>	<u>(14,455)</u>
Income (loss) from operations	(16,695)	8,811	(5,278)	(13,162)
Foreign exchange gain (loss)	12	(57)	397	352
Gain on repurchase of long-term debt	28			28
Interest expense	(21,005)			(21,005)
Interest income	386	404		790
	<u>(20,579)</u>	<u>347</u>	<u>397</u>	<u>(19,835)</u>
Income (loss) before income taxes and equity in net income of affiliates	(37,274)	9,158	(4,881)	(32,997)
Income tax provision	(215)	(66)	(19)	(300)
Income (loss) before equity in net income of affiliates	(37,489)	9,092	(4,900)	(33,297)
Equity in net income of affiliates	4,192			(4,192)
Net income (loss)	(33,297)	9,092	(4,900)	(4,192)
Other comprehensive loss				
Defined benefit pension plans				
Net actuarial loss	(4,027)			(4,027)
Amortization of actuarial loss	556			556
Amortization of prior service costs	178			178
Other comprehensive loss	(3,293)			(3,293)
Comprehensive income (loss)	\$ (36,590)	\$ 9,092	\$ (4,900)	\$ (4,192)
				\$ (36,590)



F-79



Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****16. Consolidating Guarantor and Nonguarantor Financial Information (Continued)****Boise Cascade, L.L.C., and Subsidiaries****Consolidating Statements of Comprehensive Income (Loss)****For the Year Ended December 31, 2009**

	\$ (00,000	% \$ 0,000,000	% \$ 00,000	% \$ 00,000	% \$ 0,000,000	%
Fill Fill Fill Fill Fill Fill Fill Fill Fill						
Fill Fill Fill Fill Fill Fill						
	Boise Cascade, L.L.C. (Parent)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated	
	(thousands)					
Sales						
Trade	\$	\$ 1,925,610	\$ 9,743	\$	\$	1,935,353
Intercompany		63	9,360	(9,423)		
Related parties		37,897				37,897
		<u>1,963,570</u>	<u>19,103</u>	<u>(9,423)</u>		<u>1,973,250</u>
Costs and expenses						
Materials, labor, and other operating expenses		1,746,291	20,675	(9,898)		1,757,068
Materials, labor, and other operating expenses from related parties		29,915				29,915
Depreciation and amortization	317	38,696	1,861			40,874
Selling and distribution expenses		189,229	1,202			190,431
General and administrative expenses	4,890	22,035		475		27,400
General and administrative expenses from related party		10,169				10,169

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Other (income) expense, net	(1,232)	2,421	(347)	842
	<u>14,144</u>	<u>2,028,587</u>	<u>23,391</u>	<u>2,056,699</u>
Loss from operations	(14,144)	(65,017)	(4,288)	(83,449)
Foreign exchange gain	611	212	202	1,025
Change in fair value of contingent value rights	194			194
Gain on repurchase of long-term debt	6,026			6,026
Interest expense	(22,520)			(22,520)
Interest income	560	326		886
	<u>(15,129)</u>	<u>538</u>	<u>202</u>	<u>(14,389)</u>
Loss before income taxes and equity in net loss of affiliates	(29,273)	(64,479)	(4,086)	(97,838)
Income tax provision	(580)	(59)	(21)	(660)
Loss before equity in net loss of affiliates	(29,853)	(64,538)	(4,107)	(98,498)
Equity in net loss of affiliates	(68,645)			68,645
Net loss	(98,498)	(64,538)	(4,107)	(98,498)
Other comprehensive income				
Defined benefit pension plans				
Net actuarial gain	44,099			44,099
Amortization of actuarial gain	(378)			(378)
Amortization of prior service costs	181			181
Other comprehensive income	<u>43,902</u>			<u>43,902</u>
Comprehensive loss	\$ (54,596)	\$ (64,538)	\$ (4,107)	\$ 68,645
	<u>\$ (54,596)</u>	<u>\$ (64,538)</u>	<u>\$ (4,107)</u>	<u>\$ (54,596)</u>

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

16. Consolidating Guarantor and Nonguarantor Financial Information (Continued)

Boise Cascade, L.L.C., and Subsidiaries

Consolidating Balance Sheets at December 31, 2011

	\$ 000,000	% \$ 000,000	% \$ 00,000	% \$ (000,000	% \$ 000,000	%
Fill Fill Fill Fill Fill Fill Fill Fill						
Fill Fill Fill Fill Fill						
	Boise Cascade, L.L.C. (Parent)	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated	
	(thousands)					
ASSETS						
Current						
Cash and cash equivalents	\$ 182,326	\$ 20	\$ 109	\$	\$ 182,455	
Receivables						
Trade, less allowances		118,267	634		118,901	
Related parties	935	301			1,236	
Intercompany		56		(56)		
Other	(90)	3,661	225		3,796	
Inventories		278,580	5,398		283,978	
Prepaid expenses and other	843	3,972	49		4,864	
	<u>184,014</u>	<u>404,857</u>	<u>6,415</u>	<u>(56)</u>	<u>595,230</u>	
Property						
Property and equipment, net	1,259	255,117	10,080		266,456	
Timber deposits		8,327			8,327	

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	1,259	263,444	10,080	274,783
Deferred financing costs	4,962			4,962
Goodwill		12,170		12,170
Intangible assets, net		8,900		8,900
Other assets	20	6,765	1	6,786
Investments in affiliates	557,925		(557,925)	
Total assets	\$ 748,180	\$ 696,136	\$ 16,496	\$ (557,981) \$ 902,831

F-81

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

16. Consolidating Guarantor and Nonguarantor Financial Information (Continued)

Boise Cascade, L.L.C., and Subsidiaries

Consolidating Balance Sheets at December 31, 2011 (Continued)

	\$ (000,000	% \$ 000,000	% \$ 00,000	% \$ (000,000	% \$ (000,000	%
Fill Fill Fill Fill Fill Fill Fill						
Fill Fill Fill Fill						
	Boise Cascade, L.L.C. (Parent)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated	
	(thousands)					
LIABILITIES AND CAPITAL						
Current						
Accounts payable						
Trade	\$ 8,633	\$ 107,336	\$ 789	\$	\$ 116,758	
Related parties	395	747			1,142	
Intercompany			56	(56)		
Accrued liabilities						
Compensation and benefits	12,104	19,816	347		32,267	
Interest payable	3,326				3,326	
Other	2,470	21,045	971		24,486	
	<u>26,928</u>	<u>148,944</u>	<u>2,163</u>	<u>(56)</u>	<u>177,979</u>	
Debt						
Long-term debt	<u>219,560</u>				<u>219,560</u>	

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Other

Compensation and benefits	200,248				200,248
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Other long-term liabilities	10,076	3,600			13,676
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	<u>210,324</u>	<u>3,600</u>			<u>213,924</u>
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Redeemable equity units	<u>8,749</u>				<u>8,749</u>
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Commitments and contingent liabilities

Capital

Equity units	403,464				403,464
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Accumulated other comprehensive loss	(120,845)				(120,845)
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Subsidiary equity		543,592	14,333	(557,925)	
-------------------	--	---------	--------	-----------	--

Total capital	<u>282,619</u>	<u>543,592</u>	<u>14,333</u>	<u>(557,925)</u>	<u>282,619</u>
----------------------	----------------	----------------	---------------	------------------	----------------

Total liabilities and capital	<u>\$ 748,180</u>	<u>\$ 696,136</u>	<u>\$ 16,496</u>	<u>\$ (557,981)</u>	<u>\$ 902,831</u>
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F-82

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	1,561	271,250	11,346	284,157
Deferred financing costs	3,626			3,626
Goodwill		12,170		12,170
Intangible assets, net		8,906		8,906
Other assets	19	5,970		5,989
Investments in affiliates	526,591		(526,591)	
Total assets	\$ 797,094	\$ 662,837	\$ 18,949	\$ (526,647) \$ 952,233

F-83

Table of Contents

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

16. Consolidating Guarantor and Nonguarantor Financial Information (Continued)

Boise Cascade, L.L.C., and Subsidiaries

Consolidating Balance Sheets at December 31, 2010 (Continued)

	\$ 000,000	%	\$ 000,000	%	\$ 00,000	%	\$ (000,000)	%	\$ 000,000	%
Fill Fill Fill Fill Fill Fill Fill Fill										
Fill Fill Fill Fill Fill										
	Boise Cascade, L.L.C. (Parent)		Guarantor Subsidiaries		Non- guarantor Subsidiaries		Eliminations		Consolidated	
	(thousands)									
LIABILITIES AND CAPITAL										
Current										
Accounts payable										
Trade	\$ 7,921		\$ 103,714		\$ 779		\$		\$ 112,414	
Related parties	392		2						394	
Intercompany					56		(56)			
Accrued liabilities										
Compensation and benefits	12,812		26,540		475				39,827	
Interest payable	3,291								3,291	
Other	2,523		18,726		1,281				22,530	
	<u>26,939</u>		<u>148,982</u>		<u>2,591</u>		<u>(56)</u>		<u>178,456</u>	
Debt										
Long-term debt	219,560								219,560	

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Other

Compensation and benefits	121,709				121,709
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Other long-term liabilities	10,494	3,622			14,116
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	<u>132,203</u>	<u>3,622</u>			<u>135,825</u>
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Redeemable equity units	<u>9,299</u>				<u>9,299</u>
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Commitments and contingent liabilities

Capital

Equity units	449,288				449,288
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Accumulated other comprehensive loss	(40,195)				(40,195)
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Subsidiary equity		510,233	16,358	(526,591)	
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Total capital	<u>409,093</u>	<u>510,233</u>	<u>16,358</u>	<u>(526,591)</u>	<u>409,093</u>
----------------------	----------------	----------------	---------------	------------------	----------------

Total liabilities and capital	<u>\$ 797,094</u>	<u>\$ 662,837</u>	<u>\$ 18,949</u>	<u>\$ (526,647)</u>	<u>\$ 952,233</u>
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F-84

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****16. Consolidating Guarantor and Nonguarantor Financial Information (Continued)****Boise Cascade, L.L.C., and Subsidiaries****Consolidating Statements of Cash Flows****For the Year Ended December 31, 2011**

	\$ 000,000	% \$ (00,000	% \$ (0,000	% \$ (00,000	% \$ 000,000	%
Fill Fill Fill Fill Fill Fill Fill Fill Fill Fill						
Fill Fill Fill Fill Fill Fill						
	Boise Cascade, L.L.C. (Parent)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated	
	(thousands)					
Cash provided by (used for) operations						
Net loss	\$ (46,363)	\$ (9,441)	\$ (3,430)	\$ 12,871	\$ (46,363)	
Items in net loss not using (providing) cash						
Equity in net loss of affiliates	12,871			(12,871)		
Depreciation and amortization, including deferred financing costs and other	2,450	35,010	1,772		39,232	
Pension expense	11,368				11,368	
Other	564	1,250	406		2,220	
Decrease (increase) in working capital, net of acquisitions						
Receivables	(866)	(15,369)	560		(15,675)	
Inventories		(21,416)	517		(20,899)	
Prepaid expenses and other	112	(183)	(1)		(72)	
	(829)	3,130	(423)		1,878	

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Accounts payable and accrued liabilities

Pension contributions	(13,621)			(13,621)
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Other	(685)	(358)	(6)	(1,049)
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Net cash used for operations	(34,999)	(7,377)	(605)	(42,981)
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Cash provided by (used for) investment

Expenditures for property and equipment	(21)	(32,703)	(813)	(33,537)
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Acquisitions of businesses and facilities		(5,782)		(5,782)
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Proceeds from sales of assets		3,126		3,126
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Other	(265)	(60)	(99)	(424)
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Net cash used for investment	(286)	(35,419)	(912)	(36,617)
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Cash provided by (used for) financing

Credit facility financing costs	(2,548)			(2,548)
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Due to (from) affiliates	(44,205)	42,800	1,405	
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Net cash provided by (used for) financing	(46,753)	42,800	1,405	(2,548)
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Net increase (decrease) in cash and cash equivalents	(82,038)	4	(112)	(82,146)
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Balance at beginning of the period	264,364	16	221	264,601
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Balance at end of the period	\$ 182,326	\$ 20	\$ 109	\$ 182,455
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Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****16. Consolidating Guarantor and Nonguarantor Financial Information (Continued)****Boise Cascade, L.L.C., and Subsidiaries****Consolidating Statements of Cash Flows****For the Year Ended December 31, 2010**

	\$ (000,000	% \$ (00,000	% \$ (0,000	% \$ (0,000	% \$ (000,000	%
Fill Fill Fill Fill Fill Fill Fill Fill Fill						
Fill Fill Fill Fill Fill Fill						
	Boise Cascade, L.L.C. (Parent)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated	
	(thousands)					
Cash provided by (used for) operations						
Net income (loss)	\$ (33,297)	\$ 9,092	\$ (4,900)	\$ (4,192)	\$	(33,297)
Items in net income (loss) not using (providing) cash						
Equity in net income of affiliates	(4,192)			4,192		
Depreciation and amortization, including deferred financing costs and other	3,121	32,635	1,918			37,674
Pension expense	7,449					7,449
Management equity units expense	1,625					1,625
Gain on repurchase of long-term debt	(28)					(28)
Other	(2)	116	(457)			(343)
Decrease (increase) in working capital, net of acquisitions						
Receivables	107	(6,398)	(47)			(6,338)

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Inventories		(27,001)	(1,427)	(28,428)
Prepaid expenses and other	(251)	(71)	22	(300)
Accounts payable and accrued liabilities	847	30,369	1,203	32,419
Pension contributions	(3,873)			(3,873)
Other	3,057	678	(8)	3,727
Net cash provided by (used for) operations	(25,437)	39,420	(3,696)	10,287
Cash provided by (used for) investment				
Expenditures for property and equipment	(10)	(34,675)	(1,066)	(35,751)
Proceeds from sales of assets	656	520	78	1,254
Other		(1,358)	402	(956)
Net cash provided by (used for) investment	646	(35,513)	(586)	(35,453)
Cash provided by (used for) financing				
Issuances of long-term debt	45,000			45,000
Payments of long-term debt	(128,451)			(128,451)
Proceeds from Boise Cascade Holdings, L.L.C., for sale of shares of Boise Inc.	86,117			86,117
Due to (from) affiliates	(510)	(3,910)	4,420	
Net cash provided by (used for) financing	2,156	(3,910)	4,420	2,666
Net increase (decrease) in cash and cash equivalents	(22,635)	(3)	138	(22,500)
Balance at beginning of the period	286,999	19	83	287,101
	\$ 264,364	\$ 16	\$ 221	\$ 264,601

Balance at end of the period

F-86

Table of Contents**Boise Cascade, L.L.C.****Notes to Consolidated Financial Statements (Continued)****16. Consolidating Guarantor and Nonguarantor Financial Information (Continued)****Boise Cascade, L.L.C., and Subsidiaries****Consolidating Statements of Cash Flows****For the Year Ended December 31, 2009**

	\$ 000,000	% \$ (00,000	% \$ (0,000	% \$ (00,000	% \$ 000,000	%
Fill Fill Fill Fill Fill Fill Fill Fill Fill Fill						
Fill Fill Fill Fill Fill Fill						
	Boise Cascade, L.L.C. (Parent)	Guarantor Subsidiaries	Non- guarantor Subsidiaries	Eliminations	Consolidated	
	(thousands)					
Cash provided by (used for) operations						
Net loss	\$ (98,498)	\$ (64,538)	\$ (4,107)	\$ 68,645	\$ (98,498)	
Items in net loss not using (providing) cash						
Equity in net loss of affiliates	68,645			(68,645)		
Depreciation and amortization, including deferred financing costs and other	3,122	38,696	1,861		43,679	
Pension expense	12,315				12,315	
Management equity units expense	2,736				2,736	
Gain on repurchase of long-term debt	(6,026)				(6,026)	
Other	(234)	1,164	(202)		728	
Decrease (increase) in working capital, net of acquisitions						
Receivables	715	(17,122)	(843)		(17,250)	
		45,543	1,543		47,086	

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Inventories

Prepaid expenses and other	(1,001)	465	(33)	(569)
Accounts payable and accrued liabilities	(2,087)	13,265	263	11,441
Pension contributions	(28,385)			(28,385)
Other	(150)	(2,329)	(1)	(2,480)
Net cash provided by (used for) operations	(48,848)	15,144	(1,519)	(35,223)

Cash provided by (used for) investment

Expenditures for property and equipment	(6)	(15,993)	(807)	(16,806)
Acquisition of businesses and facilities		(4,598)		(4,598)
Proceeds from sales of assets		467		467
Other	601	(183)	219	637
Net cash provided by (used for) investment	595	(20,307)	(588)	(20,300)

Cash provided by (used for) financing

Issuances of long-term debt	60,000			60,000
Payments of long-term debt	(65,627)			(65,627)
Tax distributions to member	(10,705)			(10,705)
Proceeds from Boise Cascade Holdings, L.L.C., for sale of shares of Boise Inc.	83,172			83,172
Other	(18)			(18)
Due to (from) affiliates	(7,296)	5,162	2,134	
Net cash provided by financing	59,526	5,162	2,134	(66,822)
	11,273	(1)	27	11,299

Net increase (decrease) in cash and cash equivalents

Balance at beginning of the period	275,726	20	56	275,802
Balance at end of the period	\$ 286,999	\$ 19	\$ 83	\$ 287,101

F-87

Boise Cascade, L.L.C.

Notes to Consolidated Financial Statements (Continued)

17. Pro Forma Information (unaudited)

Since our inception in October 2004, we have operated as a limited liability company. The unaudited pro forma financial information assumes we operated as a corporation during the year ended December 31, 2011, and reflects the following adjustments to give pro forma effect to the distribution described below.

The pro forma net loss applied in computing the pro forma net loss per share for the year ended December 31, 2011 is derived from our historical net loss. The pro forma results of our being treated as a corporation had no impact on net loss for the pro forma year ended December 31, 2011, primarily as a result of placing a full valuation on the tax benefits associated with 2011 net operating losses and other net deferred tax assets (mostly attributable to our three-year historical cumulative losses and below historical average, although slightly improved, housing starts). In addition, due to its non-recurring nature, the pro forma information does not reflect the recognition of a net deferred tax liability of approximately \$4.0 million, net of deferred tax assets and related valuation allowances, related to our tax status conversion from a limited liability company to a corporation prior to the consummation of this offering. Therefore, we have not presented any adjustments to the pro forma tax provision. Following the Offering, our effective tax rate is expected to be higher than in historical periods based on U.S. Federal and state income tax rates applicable to a corporation.

Pro forma weighted average common shares outstanding has been computed to give effect to the planned pro forma distribution to BC Holdings of \$225.0 million prior to January 1, 2013 and the actual distribution to BC Holdings of \$2.8 million during the nine months ended September 30, 2012. The shares deemed to be outstanding gives effect to the number of shares, assuming an initial public offering price of \$, whose proceeds would be necessary to pay the distributions to the extent that the distribution exceeds net income of \$26.4 million during the twelve months ended September 30, 2012.

Through and including _____, 2013 (the 25th day after the date of this prospectus), all dealers that effect transactions in these securities may be required to deliver a prospectus.

Shares

Common Stock

PRELIMINARY PROSPECTUS

BofA Merrill Lynch

Goldman, Sachs & Co.

Deutsche Bank Securities

J.P. Morgan

Wells Fargo Securities

, 2013

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 13. Other Expenses of Issuance and Distribution**

The following table sets forth all costs and expenses, other than the underwriting discounts and commissions payable by us, in connection with the offer and sale of the securities being registered. All amounts shown are estimates except for the SEC registration fee and the FINRA filing fee.

	Amount
SEC registration fee	\$ 27,280
FINRA filing fee	30,500
Exchange listing fee	*
Legal fees and expenses	*
Accounting fees and expenses	*
Printing expenses	*
Miscellaneous expenses	*
 Total	 \$ *

*

To be provided by amendment.

Item 14. Indemnification of Directors and Officers

Section 102(b)(7) of the DGCL allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our certificate of incorporation will provide for this limitation of liability.

Section 145 of the DGCL ("Section 145"), provides that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who are, were or are threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the corporation's best interests, provided that no indemnification is permitted without judicial approval if the officer, director, employee or agent is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the

Table of Contents

corporation must indemnify him against the expenses which such officer or director has actually and reasonably incurred.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his or her status as such, whether or not the corporation would otherwise have the power to indemnify him under Section 145.

Our amended and restated certificate of incorporation will provide that we must indemnify our directors and officers to the fullest extent authorized by the DGCL and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our amended and restated certificate of incorporation, our amended and restated bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

We expect to maintain standard policies of insurance that provide coverage (1) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (2) to us with respect to indemnification payments that we may make to such directors and officers.

Item 15. Recent Sales of Unregistered Securities

On October 22, 2012, Boise Cascade completed the sale to Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman, Sachs & Co., Barclays Capital Inc. and Wells Fargo Securities, LLC (the "Initial Purchasers") of \$250.0 million in aggregate principal amount of 6³/₈% senior notes due 2020 (the "Senior Notes") of Boise Cascade and Boise Cascade Finance Corporation (collectively, the "Co-issuers"). The Initial Purchasers resold the Senior Notes to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended, and to persons outside of the United States pursuant to Regulation S under the Securities Act of 1933, as amended. The Senior Notes were sold at par. The Co-issuers received approximately \$245.0 million of net proceeds from the sale of the Senior Notes, a portion of which was used to fund the redemption of all of the Co-issuers' then outstanding 7¹/₈% senior subordinated notes due 2014, including all interest thereon through November 21, 2012 (the related redemption date), and to pay the fees and expenses incurred in connection therewith. The remaining proceeds have been made available for general corporate purposes.

Item 16. Exhibits and Financial Statement Schedules

- (a) The list of exhibits is set forth under "Exhibit Index" at the end of this registration statement and is incorporated herein by reference.
- (b) See the Index to Consolidated Financial Statements included on page F-1 for a list of the financial statements included in this registration statement. All schedules not identified above have been omitted because they are not required, are inapplicable, or the information is included in the consolidated financial statements or notes contained in this registration statement.

Table of Contents

Certain of the agreements included as exhibits to this prospectus contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and

were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

The registrant acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this registration statement not misleading.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

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

The undersigned registrant hereby undertakes that:

(i) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective; and

(ii) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boise, State of Idaho, on November 15, 2012.

BOISE CASCADE, L.L.C.

/s/ THOMAS E. CARLILE

 Thomas E. Carlile
 Chief Executive Officer
POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints John T. Sahlberg and Thomas E. Carlile and each of them singly, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any and all additional registration statements pursuant to Rule 462(b) of the Securities Act and to file the same, with all exhibits thereto and all other documents in connection therewith, with the SEC, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

/s/ THOMAS E. CARLILE		
<hr/>	Chief Executive Officer (principal executive officer) and Director	November 15, 2012
Thomas E. Carlile		
/s/ WAYNE M. RANCOURT		
<hr/>	Sr. Vice President, Chief Financial Officer and Treasurer (principal financial officer)	November 15, 2012
Wayne M. Rancourt		
/s/ KELLY E. HIBBS		
<hr/>	Vice President and Controller (principal accounting officer)	November 15, 2012
Kelly E. Hibbs		
/s/ JOHN T. SAHLBERG		
<hr/>	Manager	November 15, 2012
John T. Sahlberg		

Table of Contents**EXHIBIT INDEX**

Exhibit Number	Exhibit Description	Form**	Exhibit Number**	Filing Date***
1.1*	Form of Underwriting Agreement			
2.1	Asset Purchase Agreement dated July 26, 2004, by and among Boise Cascade Corporation (now OfficeMax Incorporated), Boise Southern Company, Minidoka Paper Company, Forest Products Holdings, L.L.C. and Boise Land & Timber Corp., as amended by First Amendment to Asset Purchase Agreement dated October 23, 2004 and as further amended by Second Amendment to Asset Purchase Agreement dated October 28, 2004	S-1 Amend. No. 3	2.1	5/2/2005
2.2	Purchase and Sale Agreement dated September 7, 2007, by and among Boise Cascade, L.L.C., Boise Paper Holdings, L.L.C., Boise White Paper, L.L.C., Boise Packaging & Newsprint, L.L.C., Boise Cascade Transportation Holdings Corp., Aldabra 2 Acquisition Corp. and Aldabra Sub LLC	8-K	2.1	9/13/2007
2.3	Amendment No. 1 (dated October 18, 2007) to Purchase and Sale Agreement dated September 7, 2007, by and among Boise Cascade, L.L.C., Boise Paper Holdings, L.L.C., Boise White Paper, L.L.C., Boise Packaging & Newsprint, L.L.C., Boise Cascade Transportation Holdings Corp., Aldabra 2 Acquisition Corp. and Aldabra Sub LLC	8-K	2.1	10/24/2007
2.4	Amendment No. 2 to Purchase and Sale Agreement, dated February 22, 2008, by and among Boise Cascade, L.L.C., Boise Paper Holdings, L.L.C., Boise Packaging & Newsprint, L.L.C., Boise White Paper, L.L.C., Boise Cascade Transportation Holdings Corp., Aldabra 2 Acquisition Corp. and Aldabra Sub LLC	8-K	10.5	2/28/2008
3.1*	Certificate of Conversion of Boise Cascade, L.L.C. and Certificate of Incorporation			
3.2*	Amended and Restated Certificate of Incorporation of Boise Cascade Company			
3.3*	Amended and Restated Bylaws of Boise Cascade Company.			
4.1	Indenture dated October 22, 2012, by and among Boise Cascade, L.L.C., Boise Cascade Finance Corporation, Boise Cascade Holdings, L.L.C., as Guarantor, the other Guarantors named therein and U.S. Bank National Association, as Trustee	8-K	4.1	10/25/2012

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Table of Contents

Exhibit Number	Exhibit Description	Form**	Exhibit Number**	Filing Date***
4.2	Registration Rights Agreement dated October 22, 2012, by and among Boise Cascade, L.L.C., Boise Cascade Finance Corporation, Boise Cascade Holdings, L.L.C., as Guarantor, the other Guarantors named therein and the initial purchasers named therein	8-K	4.4	10/25/2012
4.3*	Form of stock certificate			
5.1	Form of opinion of Kirkland & Ellis LLP			
10.1*	Form of Registration Rights Agreement by and between Boise Cascade Company and Boise Cascade Holdings, L.L.C.			
10.2*	Form of Director Nomination Agreement by and between Boise Cascade Company and Boise Cascade Holdings, L.L.C.			
10.3	Credit Agreement, dated as of July 13, 2011, by and among Boise Cascade, L.L.C., Boise Cascade Building Materials Distribution, L.L.C. and Boise Cascade Wood Products, L.L.C., as borrowers and Boise Cascade Wood Products Holdings Corp., as guarantor, the Lenders from time to time party thereto and Wells Fargo Capital Finance, L.L.C., as Agent	10-Q	10.1	11/3/2011
10.4	Intellectual Property License Agreement, dated as of February 22, 2008, between Boise Cascade, L.L.C. and Boise Paper Holdings, L.L.C.	8-K	10.3	2/28/2008
10.5	Outsourcing Agreement, dated as of February 22, 2008, between Boise Cascade, L.L.C. and Boise Paper Holdings, L.L.C.	8-K	10.4	2/28/2008
10.6+	Employment Agreement dated November 20, 2008, between Duane C. McDougall and Boise Cascade, L.L.C.	8-K	10.2	11/25/2008
10.7+	Amendment to Employment Agreement dated February 20, 2009, between Boise Cascade, L.L.C. and Duane McDougall	8-K	10.3	2/26/2009
10.8+	Second Amendment to Employment Agreement effective August 16, 2009, between Boise Cascade, L.L.C. and Duane McDougall	10-Q	10.1	11/13/2009
10.9+	Form of Officer Severance Agreements (between Boise Cascade, L.L.C. and all elected officers)	8-K	10.8	2/28/2008
10.10+	Letter Agreement effective August 16, 2009, Amending Severance Agreement between Wayne Rancourt and Boise Cascade, L.L.C.	10-Q	10.3	11/13/2009
10.11+	Executive Officer Severance Pay Policy, as amended through November 1, 2007	8-K	99.1	11/2/2007

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Table of Contents

Exhibit Number	Exhibit Description	Form**	Exhibit Number**	Filing Date***
10.12+	Boise Cascade, L.L.C., Supplemental Pension Plan, as amended through November 1, 2009	10-K	10.26	3/1/2010
10.13+	Boise Cascade, L.L.C., Supplemental Early Retirement Plan for Executive Officers, as amended through March 1, 2010	10-K	10.27	3/1/2010
10.14+	Boise Cascade Supplemental Life Plan, as amended December 19, 2006	10-K	10.20	3/1/2007
10.15+	Boise Cascade Financial Counseling Program, as amended through December 12, 2007	8-K	99.4	12/18/2007
10.16+	Boise Incentive and Performance Plan, effective October 29, 2004	S-1	10.16	2/11/2005
10.17+	2008 Annual Incentive Award Notifications with respect to Boise Cascade, L.L.C., Incentive and Performance Plan	10-Q	10	5/8/2008
10.18+	Boise Cascade, L.L.C., 2010 Cash Long-Term Incentive Plan adopted October 28, 2009, effective January 1, 2010	10-K	10.32	3/1/2010
10.19+	Form of Retention Award Agreement effective August 16, 2009	10-Q	10.4	11/13/2009
10.20+	Retention Award Agreement, dated as of September 30, 2011, by and between Thomas E. Carlile and Boise Cascade, L.L.C.	8-K	10.1	10/5/2011
10.21+	Boise Cascade, L.L.C., 2004 Deferred Compensation Plan, as amended through November 1, 2009	10-K	10.34	3/1/2010
10.22+	Boise Cascade Holdings, L.L.C., Directors Deferred Compensation Plan, as amended through November 1, 2009	10-K	10.35	3/1/2010
10.23+	Management Equity Agreement dated November 29, 2004, by and among Forest Products Holdings, L.L.C. and each of the persons listed on the signature pages thereto	S-1 Amend. No. 3	10.25	5/2/2005
10.24+	Management Equity Agreement dated April 3, 2006, by and among Forest Products Holdings, L.L.C. and each of the persons listed on the signature pages thereto	8-K	99.1	4/6/2006
10.25+	Amendment dated February 20, 2009, to Management Equity Agreement	8-K	10.2	2/26/2009
10.26+	Form of Repurchase Agreement and Amendment No. 1 to Management Equity Agreement dated May 23, 2008, by and among Forest Products Holdings, L.L.C. and each of the persons named on the signature pages thereto	8-K	10.2	5/28/2008

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Table of Contents

Exhibit Number	Exhibit Description	Form**	Exhibit Number**	Filing Date***
10.27+	Management Equity Agreement dated November 20, 2008, between Duane C. McDougall and Forest Products Holdings, L.L.C.	8-K	10.3	11/25/2008
10.28+	Amendment No. 1, effective August 16, 2009, to Management Equity Agreement dated November 20, 2008, between Duane C. McDougall and Forest Products Holdings, L.L.C.	10-Q	10.2	11/13/2009
10.29+	Director Equity Agreement dated April 3, 2006, by and among Forest Products Holdings, L.L.C. and each of the persons listed on the signature pages thereto	8-K	99.2	4/6/2006
10.30+	Amendment to Director Equity Agreement entered into February 20, 2009	8-K	10.3	2/26/2009
10.31+	Severance Agreement effective August 1, 2012, between Boise Cascade, L.L.C. and John Sahlberg	8-K	10.1	8/2/2012
10.32+*	Boise Cascade Company 2013 Equity Incentive Compensation Plan			
10.33+*	Form of Restricted Stock Unit Agreement			
10.34+*	Form of Incentive Stock Option Agreement			
10.35+*	Form of Non-Qualified Stock Option Agreement			
10.36+*	Form of Restricted Stock Agreement			
10.37+*	Form of Stock Appreciation Rights Agreement			
21.1	List of subsidiaries of Boise Cascade, L.L.C.			
23.1	Consent of KPMG			
23.2	Consent of Kirkland & Ellis LLP (included in Exhibit 5.1)			
24.1	Powers of Attorney (see signature pages)			
99.1	Salt Lake City Property Contribution Agreement	10-Q	99.1	8/2/2012
99.2	Albuquerque Property Contribution Agreement	10-Q	99.2	8/2/2012
99.3*	Consent of Director Nominees			

+ Indicates exhibits that constitute management contracts or compensatory plans or arrangements.

* Indicates to be filed by amendment.

** Refers to prior filings of Boise Cascade Holdings, L.L.C.

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Our Code of Ethics can be found on our website (www.bc.com) by clicking on *About Boise Cascade* and then *Code of Ethics*.

E-4
