

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of Report:

**February 16, 2005**

Date of Earliest Event Reported:

**February 10, 2005**

**OFFICEMAX INCORPORATED**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**1-5057**

(Commission  
File Number)

**82-0100960**

(I.R.S. Employer  
Identification No.)

**150 Pierce Road**

**Itasca, Illinois**

(Address of principal executive offices)

**60143**

(Zip Code)

**(630) 773-5000**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01 Entry Into a Material Definitive Agreement.**

Executive Life Insurance Program

On February 10, 2005, the Executive Compensation Committee of the board of directors of the company adopted the Executive Life Insurance Program. Officers with the title of senior vice president or higher of the company are eligible to participate in the program. Participants may purchase a life insurance policy from a designated insurance carrier. Policy premiums, subject to certain limits, will be paid by the company and will be treated as taxable compensation to the participants. Upon termination of the participant's employment, the company will cease to pay premiums. The Executive Life Insurance Program is filed as Exhibit 10.1 to this Report on Form 8-K and is incorporated herein by reference.

Change to Eligibility to Participate in the Supplemental Life Insurance Plan

On February 10, 2005, the Executive Compensation Committee of the board of directors of the company terminated participation in the Supplemental Life Insurance Plan for certain officers. Benefits will continue to be provided under the Plan to inactive participants and a small group of officers.

Change to Eligibility to Participate in the Supplemental Healthcare Plan for Executive Officers

On February 10, 2005, the Executive Compensation Committee of the board of directors of the company terminated participation in the Supplemental Healthcare Plan for certain officers. Benefits will continue to be provided under the Plan to inactive participants and a small group of officers.

Officer Annual Physical Program

On February 10, 2005, the Executive Compensation Committee of the board of directors of the company adopted the Officer Annual Physical Program, effective as of January 1, 2005. Officers with the title of senior vice president or higher of the company are eligible to participate in the program. Under the program, the company reimburses certain costs related to an annual physical examination to the officers, up to a maximum of \$1,000 each calendar year.

(including "gross up"). Reimbursements will be treated as taxable income to the officer and will be "grossed up" for taxes. The Officer Annual Physical Program is filed as Exhibit 10.2 to this Report on Form 8-K and is incorporated herein by reference.

#### Financial Counseling Program

On February 10, 2005, the Executive Compensation Committee of the board of directors of the company adopted the Financial Counseling Program, effective as of January 1, 2005. Officers with the title of senior vice president or higher of the company are eligible to participate in the program. Under the program, the company reimburses

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the officers for investment planning, tax preparation, tax planning and compliance and estate planning up to a maximum of \$5,000 each calendar year (including "gross up"). Reimbursements will be treated as taxable income to the officer and will be "grossed up" for taxes. The Financial Counseling Program is filed as Exhibit 10.3 to this Report on Form 8-K and is incorporated herein by reference.

#### Amendment to Executive Savings Deferral Plan

On February 10, 2005, the Executive Compensation Committee of the board of directors of the company adopted an amendment to the Executive Savings Deferral Plan. The amendment expands the definition of "eligible employee" to make officers with the title of senior vice president and above eligible to participate in the Plan as of the first day of the calendar quarter after they complete three months of service with the company and complete 250 hours of service within that three month period.

#### Amendment to Supplemental Early Retirement Plan for Executive Officers

On February 10, 2005, the Executive Compensation Committee of the board of directors of the company adopted an amendment to the Supplemental Early Retirement Plan for Executive Officers. The amendment amends the definition of "executive officer" to clarify that executive officers elected on or after October 1, 2004 are not eligible for benefits under the plan.

#### Form of 2005 Annual Incentive Award Agreement

On February 10, 2005, the Executive Compensation Committee of the board of directors of the Company approved the form of 2005 Annual Incentive Award Agreement for elected officers. The 2005 Annual Incentive Awards will be granted pursuant to the OfficeMax Incentive and Performance Plan. The performance goals applicable to the awards are required to be set forth in the Agreement and issued to participants. The performance goals applicable to these awards are: sales growth, return on sales and EBIT dollars. Subject to certain exceptions, a participant must be employed by the company on the last day of the applicable calendar period to be eligible to receive an award. The form of Annual Incentive Award Agreement is filed as Exhibit 10.4 to this Report on Form 8-K and is incorporated herein by reference.

### **Item 2.02 Results of Operations and Financial Condition**

On February 14, 2005, we issued a press release regarding our expected range of operating income for fiscal year 2004, the range of an estimated overstatement in operating income in the first quarter of 2004, the expectation of subsequent understatements in operating income in the second and third quarters and the range of estimated net overstatement in operating income through the end of the third quarter 2004. For further information and the text of the press release, please see Exhibit 99.1 to this filing.

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### **Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review**

As previously announced, OfficeMax is currently conducting an investigation under the direction of its audit committee into its accounting for vendor income in prior periods. Based on the work completed to date, the company has confirmed that certain employees fabricated supporting documents for approximately \$3.3 million in claims billed to a vendor to its retail business. In addition, the company has determined that certain rebates and other payments from vendors in 2004 were not recorded in the appropriate accounting periods, so that operating income in the first fiscal quarter of 2004 was overstated and the second and third fiscal quarters of 2004 were understated. Six employees have been terminated for cause in connection with the investigation.

The company currently estimates that the amount of overstatement in operating income in the first quarter of 2004 was in the range of \$5 million to \$10 million, and the subsequent understatements in the second and third quarters reduce the net overstatement to a range of \$4 million to \$6 million through the end of the third quarter 2004. As a result, subject to completion of the investigation, acceptance of a final investigation report by the audit committee, and review by the company's auditors, OfficeMax now expects to restate quarterly income in each of the first three fiscal quarters of 2004. Accordingly, the company believes that its previously issued interim statements of operating results for those periods should no longer be relied upon. The company reached this conclusion on February 13, 2005.

OfficeMax has discussed the matters disclosed in this filing with its independent accountant.

### **Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers**

On February 11, 2005, Christopher C. Milliken resigned as president, chief executive officer and as a director of the company.

On February 11, 2005, George J. Harad was appointed by the board of directors to serve as chief executive officer on an interim basis. Mr. Harad, 60, is the company's executive chairman of the board, having assumed that position in October 2004. He became a director and president of Boise Cascade Corporation, now OfficeMax Incorporated, in 1991. Mr. Harad was elected the company's chief executive officer in 1994 and became chairman of the board in 1995, serving in those positions until

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October 2004. He has been an executive officer of the company since 1982.

On October 29, 2004, the company entered into an Employment Agreement with Mr. Harad. The Agreement secures Mr. Harad's service as executive chair of OfficeMax through June 30, 2005 (the "Date"). A description of the Employment Agreement is set forth in the company's Current Report on Form 8-K filed on November 4, 2004. A description of the First Amendment to the Employment Agreement is set forth in the Company's Current Report on Form 8-K filed on December 15, 2004.

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**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits.

Exhibit 10.1	Executive Life Insurance Program
Exhibit 10.2	Officer Annual Physical Program
Exhibit 10.3	Financial Counseling Program
Exhibit 10.4	Form of 2005 Annual Incentive Award Agreement
Exhibit 99.1	Press Release dated February 14, 2005

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OFFICEMAX INCORPORATED

By /s/ Matthew R. Broad  
Matthew R. Broad  
Executive Vice President, General  
Counsel and Corporate Secretary

Date: February 16, 2005

OFFICEMAX INCORPORATED  
EXECUTIVE LIFE INSURANCE PROGRAM

Effective February 10, 2005

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OFFICEMAX INCORPORATED  
EXECUTIVE LIFE INSURANCE PROGRAM

1. Purpose of the Plan. The purpose of the Executive Life Insurance Program (the “Plan”) is to provide officers who participate in the Plan with an insured death benefit during employment. Officers who become Participants may purchase a life insurance policy from a designated insurance carrier. Policy premiums will be paid by OfficeMax Incorporated (“OfficeMax”), as described in this Plan.

2. Definitions.

2.1 “Base Salary” means the Participant’s annual base salary in effect on the April 15<sup>th</sup> preceding the Participant’s death if the Participant dies while an active employee of OfficeMax.

2.2 “Code” means the Internal Revenue Code of 1986, as amended.

2.3 “Committee” means the Executive Compensation Committee of OfficeMax’s Board of Directors.

2.4 “Insurance Carrier” means the life insurance company or companies selected to issue policies under the Plan.

2.5 “Insurance Policy” means any individually purchased Insurance Policy, together with additional policy benefits and riders, if any, issued by the Insurance Carrier pursuant to the Plan. Unless required otherwise by the Plan, any Insurance Policy terms used in this Plan shall have the same meaning as in the Insurance Policy. For example, the Insurance Policy terms “policy year,” “dividend,” and “policy loan” shall have the same meaning for purposes of this Plan as for purposes of the Insurance Policy.

2.6 “Participant” means an elected officer who is designated by the Committee as eligible to participate in the Plan and who chooses to participate. For purposes of this Plan, “elected officer” means any officer holding the title of Senior Vice President of OfficeMax Incorporated or higher.

2.7 “Plan Administrator” means the Committee. The Committee may delegate day-to-day administrative functions to OfficeMax’s management.

3. Administration and Interpretation of the Plan.

3.1 Plan Administrator. The Committee shall have final discretion, responsibility, and authority to administer and interpret the Plan. This includes the discretion and authority to determine all questions of fact, eligibility, or benefits relating to the Plan, except as delegated to the Insurance Carrier pursuant to Sections 3.2 and

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8.3. The Committee may also adopt any rules it deems necessary to administer the Plan. The Committee’s responsibilities for administration and interpretation of the Plan shall be exercised by OfficeMax associates who have been assigned those responsibilities by OfficeMax’s management. Any OfficeMax associate exercising responsibilities relating to the Plan in accordance with this section shall be deemed to have been delegated the discretionary authority vested in the Committee with respect to those responsibilities, unless limited in writing by the Committee. Any Participant may appeal any action or decision of these employees to OfficeMax’s General Counsel and may request that the Committee reconsider decisions of the General Counsel. Claims for benefits under the Plan and appeals of claim denials shall be in accordance with Section 8. Any interpretation by the Committee shall be final and binding on the Participants.

3.2 Insurance Carrier. The Insurance Carrier shall be responsible for all matters relating to any Insurance Policy, including interpretation of the policy terms. For example, the Insurance Carrier shall decide whether it will issue an Insurance Policy on the life of a Participant who has otherwise met all of the Plan’s eligibility requirements, whether benefits are payable on an Insurance Policy, and to whom any benefits are payable.

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

4.1 Be an elected officer who is designated by the Committee as eligible to participate in the Plan;

4.2 Complete an application for insurance as required by the Insurance Carrier; and

4.3 Meet any applicable insurability requirements of the Insurance Carrier.

5. Benefits.

5.1 Target Death Benefit During Employment. The target benefit for a Participant who dies while employed by OfficeMax is a death benefit equal to two times Base Salary [three times Base Salary – *for CEO*] (less any amount payable under any company-paid group term life insurance program sponsored by OfficeMax).

5.2 Purchase of Insurance. The right of a Participant to purchase an Insurance Policy under the Plan is granted only upon the initial adoption of the Plan or, for a Participant who meets the eligibility requirements under the Plan after adoption of the Plan, the date of initial eligibility under the Plan. The face amount of the Insurance Policy shall be rounded up to the nearest multiple of \$1,000, where necessary. To the extent the Insurance Policy relates to the target benefit(s) as described in Section 5.1, the Insurance Policy is guaranteed to be issued, without regard to the Participant's

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insurability. To the extent that a Participant desires to purchase additional insurance by paying additional premiums as permitted under Section 6.2, insurance participation will be subject to the Participant's insurability, and OfficeMax does not guarantee that each otherwise eligible Participant will be able to purchase additional insurance pursuant to this Plan.

5.3 Actual Amount of Benefit. The death benefit shall be paid from the Insurance Policy. The amount of the death benefit payable to the Participant's beneficiary shall be determined by the Insurance Carrier pursuant to the terms of the Insurance Policy. The actual benefit provided by the Insurance Policy may be greater or less than the target benefit, based on the investment performance of the Insurance Policy. If the Insurance Policy does not ultimately provide the target benefit, OfficeMax will not make up any benefit shortfall.

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

5.6 Payment of Death Benefit. All death benefits provided under the Plan will be paid from the Insurance Policies. Death benefits shall be paid upon submission to the Insurance Carrier of the appropriate proof of death and a claim for benefits in the form required by the Insurance Carrier, and any other documentation required by the Insurance Carrier in its sole discretion.

## 6. Premium Payment.

6.1 Target Benefit Premium Payment. The Insurance Carrier shall establish an annual premium for each Insurance Policy based on the target benefit(s) established for that Insurance Policy. OfficeMax shall pay the premium on behalf of the Participant, and the amount of the premium will be treated as taxable compensation to the Participant.

6.2 Additional Benefit Premium Payment. Participants may have the option to obtain an additional Insurance Policy in addition to the Insurance Policy under which the target benefit(s) are to be provided, subject to the requirements of the Insurance Carrier, including any insurability or underwriting requirements and subject to a minimum death benefit amount of \$50,000. Premiums for any additional Insurance Policy will be the Participant's responsibility. Participants must make arrangements for any additional Insurance Policy and premium payment with the Insurance Carrier.

6.3 Premium Allocation. The target benefit premium will be allocated among the investment funds offered by the Insurance Carrier by OfficeMax in its sole discretion. Premiums for any additional Insurance Policy purchased according to Section 6.2 shall be allocated by the Participant.

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6.4 Cessation of Premium Payment. OfficeMax shall cease paying premiums on the Participant's behalf upon the earlier of:

- (a) The death of the Participant; or
- (b) The termination of the Participant's employment other than by death.

Upon the cessation of premium payment by OfficeMax, OfficeMax shall have no further involvement in the Insurance Policy. From that date forward, the Participant shall be solely responsible for the payment of any future premiums.

## 7. Continuation, Reduction, or Termination of the Insurance Policy and/or Benefits.

7.1 If the Plan is terminated, whether as to all Participants or as to an individual Participant, a Participant shall be able to continue the Insurance Policy on his or her life by paying future premiums. Thereafter, the Participant will be responsible for all future premiums and OfficeMax shall have no further involvement in the Insurance Policy.

7.2 After cessation of premium payment by OfficeMax, policy benefits may be reduced or terminated with respect to a Participant if not properly funded by the Participant.

7.3 The amount of a Participant's death benefits may vary each year based on investment results of the Insurance Policy and the target benefit.

## 8. Claims Procedure.

8.1 Claims regarding eligibility for, participation in, and payment of premiums under the Plan shall be filed in writing, within 90 days after the event giving rise to a claim, with OfficeMax's compensation manager, who shall have absolute discretion to interpret and apply the Plan, evaluate the facts and circumstances, and make a determination with respect to the claim in the name and on behalf of OfficeMax. The claim must include a statement of all facts the Participant believes relevant to the claim and copies of all documents, materials, or other evidence that the Participant believes relevant to the claim. Written notice of the disposition of a claim shall be furnished to the Participant within 90 days after the application is filed. This 90-day period may be extended an additional 90 days for special circumstances by the compensation manager, in his or her sole discretion, by providing written notice of the extension to the claimant prior to the expiration of the original 90-day period. If the claim is denied, the Manager shall notify the claimant in writing. This written notice shall:

- state the specific reasons for the denial,

- refer to the provisions of the Plan on which the determination is based,
- describe any additional material or information necessary for the claimant to perfect the claim and explain why the information is necessary,
- explain how the claimant may submit the claim for review and state applicable time limits, and
- state the claimant's right to bring an action under section 502(a) of ERISA following an adverse determination on review.

8.2 Any Participant, former Participant, or beneficiary who has been denied a claim brought under Section 8.1 shall be entitled, upon written request, to access to or copies of all documents and records relevant to his or her claim, and to a review of his or her denied claim. A request for review, together with a written statement of the claimant's position and any other comments, documents, records, or information that the claimant believes relevant to his or her claim, shall be filed no later than 60 days after receipt of the written notification provided for in Section 8.1, and shall be filed with OfficeMax's compensation manager. The Manager shall promptly inform OfficeMax's senior human resources officer, who shall be the named fiduciary of the Plan for purposes of claim review. The senior human resources officer shall make his or her decision, in writing, within 60 days after receipt of the claimant's request for review. This 60-day period may be extended an additional 60 days if, in the senior human resources officer's sole discretion, special circumstances warrant the extension and if the senior human resources officer provides written notice of the extension to the claimant prior to the expiration of the original 60-day period. The written decision shall be final and binding on all parties and shall:

- state the facts and specific reasons for the decision,
- refer to the Plan provisions upon which the decision is based,
- state that the Participant is entitled to receive at no charge and upon request reasonable access to and copies of all documents, records, and other information relevant to the claim, and
- state the claimant's right to bring an action under section 502(a) of ERISA.

8.3 For claims regarding benefits under the Insurance Policies, OfficeMax has adopted the claim procedure established by the Insurance Carrier as a claim procedure. The beneficiary of the policy proceeds must file a claim for benefits with the Insurance Carrier in the form the Insurance Carrier requires. If the Insurance Carrier denies the

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claim and the beneficiary desires to have the denial reviewed, the beneficiary must follow the Insurance Carrier's claims review procedure. The Insurance Carrier's determination shall be final and binding on all participants. OfficeMax shall have no liability if the Insurance Carrier denies a claim for benefits.

## 9. Miscellaneous.

9.1 Employment Not Guaranteed by Plan. This Plan is not intended to and does not create a contract of employment in any manner. Employment with OfficeMax is at will, which means that either the employee or OfficeMax may end the employment relationship at any time and for any reason. Nothing in this Plan changes or should be construed as changing that at-will relationship.

9.2 Taxes. OfficeMax shall deduct from each Participant's compensation all applicable federal or state taxes that may be required by law to be withheld resulting from OfficeMax's premium payments under the Plan.

9.3 Governing Law, Jurisdiction, and Venue. The Plan shall be construed according to the laws of the state of Idaho to the extent not preempted by federal law. Legal action to enforce or interpret the Plan may be brought only in federal district court for the District of Illinois in Du Page County, Illinois.

9.4 Form of Communication. Any election, application, claim, notice, or other communication required or permitted to be made by a Participant to the Committee or OfficeMax shall be made in writing and in the form OfficeMax prescribes. Communication shall be effective upon receipt by OfficeMax's Compensation Manager at 150 Pierce Road, Itasca, IL 60143.

9.5 Amendment and Termination. The Committee may, at any time, amend or terminate the Plan, provided that the Committee may not reduce or modify the target benefit(s) provided to the Participant prior to the amendment or termination without the Participant's prior written consent. Upon termination of the Plan, a Participant shall be entitled to continue the Insurance Policy in accordance with Section 7.

9.6 Agent for Service of Process. OfficeMax's General Counsel is designated as the agent to receive service of legal process on behalf of the Plan.

9.7 Effective Date. The Plan became effective February 10, 2005.

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OFFICER ANNUAL PHYSICAL PROGRAM  
Effective January 1, 2005

The Company shall provide benefits related to an annual physical examination to its officers, as described in this program, to encourage a regular program of health maintenance. This program is in addition to healthcare benefits provided under the Company's Comprehensive Welfare Benefit Plan.

#### WHO IS ELIGIBLE

Officers of OfficeMax Incorporated holding the title of Senior Vice President or above are automatically eligible for coverage under this policy. Spouses and dependents are not eligible.

#### WHAT THE POLICY COVERS

Expenses incurred by eligible officers for covered services provided by a physician of the officer's choice will be reimbursed. Reimbursement payments will be "grossed up" for taxes. Reimbursement under the program, including the tax gross-up amount, is limited to a maximum of \$1,000 each calendar year.

The program provides reimbursement (up to the \$1,000 limit, including tax gross-up) for a complete medical history and a comprehensive physical examination. Covered services include:

- Medical history and physical examination
- Resting electrocardiogram
- Cholesterol blood study
- General survey (urinalysis and blood tests)
- Spirometry (lung function)
- Tonometry (eye pressure)
- Special fats study
- Proctoscopic examination
- Pap test and pelvic for women
- Mammogram for women

Additional diagnostic procedures, such as colonoscopy and bone density tests, may be covered if the examining physician orders the procedure. At the conclusion of the examination and upon receiving the results of any tests, the physician will generally advise the officer about the medical findings and may make recommendations for corrective or additional subsequent actions. Any subsequent actions are not covered by this program, but may be covered under the Comprehensive Welfare Benefit Plan.

#### WHAT THE POLICY DOES NOT COVER

Expenses for items in the following list are not covered under the policy:

- Items payable by workers' compensation or any other government program.
- Items for which no charge would have been made in the absence of medical coverage, or items for which the officer is not legally obligated to pay.
- Prescription drugs.
- Items for which the Company, by law or regulation, may not provide benefits.
- Services rendered prior to the date an individual became eligible for coverage under this program.
- Charges which are applied to the deductible and co-payments under the Company's Comprehensive Welfare Benefit Plan.

#### HOW TO FILE A CLAIM

If covered services are received from a provider in the UnitedHealthcare network, the provider will submit the claim on the officer's behalf. If an out-of-network provider is used, the officer should submit the claim together with all documentation of covered expenses to:

UnitedHealthcare  
P.O. Box 981502  
El Paso, TX 79998

The claim form is available from HR Services in Itasca, Illinois.

#### PLAN ADMINISTRATION AND ERISA RIGHTS

The summary plan description (SPD) for the Company's Comprehensive Welfare Benefits Plan identifies the Plan Administrator and explains the ERISA rights under this policy. If a dispute or disagreement arises regarding terms of coverage or benefits provided under this policy, the claims and appeal processes described in the SPD apply. The Company has the sole authority to make final determinations regarding any claim for benefits and the interpretation of this program.

#### CONTINUATION OF COVERAGE

The policy is subject to the requirements of federal law as they relate to continuation of healthcare benefits pursuant to provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). These requirements are described in more detail in the SPD.

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#### SOURCE OF FUNDING

This is an unfunded, self-insured program. The benefits provided under this policy are paid from the general assets of the Company as they become payable.

#### TAXABILITY

All benefits paid under this policy are considered taxable income to the officer, are subject to tax withholding requirements, and will be reflected in Form W-2 earnings.

#### COVERAGE DURING A LEAVE OF ABSENCE

Coverage may be continued while the officer is still employed by the Company but is not actively at work due to an accident or illness or other Company-approved leave of absence. Under such conditions, coverage will continue in keeping with the provisions of the leave.

#### MISCELLANEOUS

The Company reserves the right to change, modify or discontinue the benefits offered under this program at any time. Eligible officers do not have any ongoing rights to any benefit other than reimbursement for covered expenses incurred before the date of the change, modification or discontinuance.

Neither this program nor any of the Company's other policies or benefits programs should be considered a contract for purposes of employment or payment of benefits. Employment with OfficeMax is "at will" and may be terminated at any time, with or without cause, by the associate or the Company.

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FINANCIAL COUNSELING PROGRAM  
Effective January 1, 2005

The company shall provide financial counseling benefits to its officers, as described in this program.

#### WHO IS ELIGIBLE

Officers of OfficeMax Incorporated holding the title of Senior Vice President or above are eligible for benefits under this program. Spouses and dependents are not eligible.

#### WHAT THE POLICY COVERS

Expenses incurred by eligible executive officers for covered financial counseling services provided by a professional of the officer's choice will be reimbursed or paid. Reimbursements and payments will be "grossed up" for taxes. The amount available under the program, including the tax gross-up amount, is a maximum of \$5,000 each calendar year. Unused amounts up to one year's allowance (\$5,000) may be carried over from year to year.

The program provides reimbursement or payment (up to the \$5,000 limit, including tax gross-up) for the following covered services:

- Investment planning
- Tax preparation
- Tax planning & compliance
- Estate planning

These services may involve several providers, including accountants, lawyers, and/or investment counselors.

#### WHAT THE POLICY DOES NOT COVER

Expenses for items in the following list are not covered under the policy:

- Services rendered prior to the date an individual became eligible for coverage under this program.
- Services rendered for ineligible individuals (e.g., tax preparation charges for a dependent's tax return).

#### HOW TO FILE A CLAIM

Invoices for received services should be approved by the officer with his or her signature and sent to the Compensation Manager in Itasca, together with a request to

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either pay the provider directly (if the officer has not already paid) or reimburse the officer (if the officer has already paid).

#### PROGRAM ADMINISTRATION

If a dispute or disagreement arises regarding terms of coverage or benefits provided under this policy, the officer must send a written notice of dispute to the Compensation Manager. The Company has the sole authority to make final determinations regarding any claim for benefits and the interpretation of this program.

#### TAXABILITY

All benefits paid under this policy are considered taxable income to the officer, are subject to tax withholding requirements, and will be reflected in Form W-2 earnings.

#### MISCELLANEOUS

The Company reserves the right to change, modify or discontinue the benefits offered under this program at any time. Eligible officers do not have any ongoing rights to any benefit other than reimbursement/payment for covered expenses incurred before the date of the change, modification or discontinuance.

Neither this program nor any of the Company's other policies or benefits programs should be considered a contract for purposes of employment or payment of benefits. Employment with OfficeMax is "at will" and may be terminated at any time, with or without cause, by the associate or the Company.

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Form of  
OFFICEMAX INCORPORATED  
2005 Annual Incentive Award Agreement

This Annual Incentive Award (the "Award"), is granted on February 10, 2005 (the "Award Date"), by OfficeMax Incorporated ("OfficeMax") to ("Awardee" or "you") pursuant to the 2003 OfficeMax Incentive and Performance Plan (the "Plan") and pursuant to the following terms:

1. The Award is subject to all the terms and conditions of the Plan. All capitalized terms not defined in this Agreement shall have the meaning stated in the Plan.
2. For purposes of this Award, the following terms shall have the meanings stated below.
  - 2.1. "Award Period" means the 2005 calendar year.
  - 2.2. "Base Salary" means your annual pay rate in effect at the end of the Award Period, without taking into account (a) any amounts deferred pursuant to an election under any 401(k) plan, pre-tax premium plan, deferred compensation plan, or flexible spending account sponsored by OfficeMax or any subsidiary, (b) any incentive compensation, employee benefit, or other cash benefit paid or provided under any incentive, bonus or employee benefit plan sponsored by OfficeMax or any subsidiary, or (c) any excellence award, gains upon stock option exercises, restricted stock grants or vesting, moving or travel expense reimbursement, imputed income, or tax gross-ups, without regard to whether the payment or gain is taxable income to you.
  - 2.3. "EBIT dollars" means OfficeMax's earnings from operations before interest and taxes, as calculated by OfficeMax in its sole discretion.
  - 2.4. "Net sales" means the gross sales or revenues less returns, allowances, rebates, and coupons for OfficeMax, as calculated by OfficeMax in its sole discretion.
  - 2.5. "Return on sales" means the ratio of reported operating profit to reported net sales for OfficeMax during the Award Period, as calculated by OfficeMax in its sole discretion.
  - 2.6. "Sales growth" means the percentage change in overall same location net sales for OfficeMax during the Award Period, adjusted for store closures, store openings, acquisitions, divestitures, and changes in fiscal periods, as calculated by OfficeMax in its sole discretion.
3. Your target award percentage is       % of your Base Salary.
4. The Performance Goals applicable to your Award are sales growth, return on sales, and EBIT dollars. Your Award will be calculated based on these Performance Goals, as follows:
  - 4.1. *Payout.* Each Performance Goal is weighted equally. Using the payout charts attached as Exhibit 1, a payout multiple will be identified for each Performance Goal. Your target award percentage will be divided by three, that number will be multiplied by the identified multiple, and the resulting percentage will be applied to your Base Salary to determine your actual Award for each Performance Goal.
  - 4.2. *General Terms.* Payout multiples between numbers indicated on the chart will be calculated using straight-line interpolation. Total payout (aggregate amount paid for all three Performance Goals) is capped at 2.25 times your target award percentage. Individual payout for each Performance Goal is capped at 2.25 times the applicable target award percentage. Notwithstanding the Performance Goals and formulas set forth above, no award will be earned or paid for the Award Period unless OfficeMax has net income for the Award Period, as calculated by OfficeMax in its sole discretion.
5. This Award will be paid in cash.
6. If you terminate employment before December 31, 2005, your Award will be treated as follows:
  - 6.1. If your termination of employment is a direct result of the sale or permanent closure of any facility or operating unit of OfficeMax or any subsidiary, or a bona fide curtailment, or a reduction in workforce, as determined by OfficeMax in its sole discretion, and you execute a waiver/release in the form required by OfficeMax, or if your termination is a result of your death or total and permanent disability, you will receive a pro rata Award, if an Award is paid, based on the number of days during the Award Period that you were employed and eligible compared to the total number of days in the Award Period.
  - 6.2. If at the time of your termination you are at least age 55 and have at least 10 years of employment with OfficeMax, you will receive a pro rata Award, if an Award is paid, calculated as provided in paragraph 6.1.
  - 6.3. Except as described in paragraphs 6.1 and 6.2, you must be employed by OfficeMax or its subsidiary on the last day of the Award Period to be eligible to receive an Award. If you terminate employment for any reason other than as described in paragraph 6.1 or 6.2, whether your termination is voluntary or involuntary, with or without cause, you will not be eligible to receive any Award for 2005.
7. In the event of a Change in Control (as defined in the Plan) prior to December 31, 2005, the provisions of the Plan shall apply.

You must sign this Agreement and return it to OfficeMax's Executive Compensation Department on or before \_\_\_\_\_, 2005, in order for the Award to be effective. If this Agreement is not received by the Executive Compensation Department on or before \_\_\_\_\_, 2005, the Award will be forfeited.

Return your executed Agreement to:

, or fax your signed form to

OfficeMax Incorporated

Awardee

By: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OfficeMax  
150 East Pierce Road Itasca, IL 60143-1594

# OfficeMax®

## News Release

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630 438 8584

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208 384 6390

**For Immediate Release: February 14, 2005**

### OFFICEMAX ISSUES CORPORATE ANNOUNCEMENTS:

- **RESIGNATION OF CEO**
- **SETS EXPECTED DATE FOR RELEASE OF FOURTH QUARTER AND FULL-YEAR 2004 EARNINGS WITH PRELIMINARY GUIDANCE**
- **COMMENTS ON PRELIMINARY RESULTS OF INTERNAL INVESTIGATION**
- **REITERATES INTENT TO REPURCHASE COMMON STOCK**

ITASCA, Ill. – OfficeMax® Incorporated (NYSE: OMX) announced today that Christopher C. Milliken has resigned as president, chief executive officer and as a director. George J. Harad, executive chairman, has been appointed by the board of directors to serve as chief executive officer on an interim basis. The board has formed a committee to begin immediately a search for a permanent chief executive officer.

Mr. Harad said, “OfficeMax made substantial progress in 2004 toward integrating its contract and retail office products businesses. We appreciate the contributions that Chris has made in that effort and throughout his 27-year career with our office products business. We are taking steps to strengthen the OfficeMax management team, and fully expect to demonstrate the value inherent in this business for our shareholders.”

### Fourth Quarter and Full-Year 2004 Earnings

OfficeMax now expects to announce fourth-quarter and full-year 2004 earnings on March 14, 2005, and to host an investor conference call on that date. Based on preliminary unaudited results, and without considering adjustments which may arise from the company’s investigation into its accounting for vendor income in prior periods, operating income for the company’s office products businesses is expected to range from \$125 million to \$135 million for full-year 2004.

The company does not expect to provide further information about the results of its operations until 2004 financial results have been reported.

### Internal Investigation

As previously announced, OfficeMax is currently conducting an investigation under the direction of its audit committee into its accounting for vendor income in prior periods. Based on the work completed to date, the company has confirmed that certain employees fabricated supporting documents for approximately \$3.3 million in claims billed to a vendor to its retail business. In addition, the company has determined that certain rebates and other payments from vendors in 2004 were not recorded in the appropriate accounting periods, so that operating income in the first fiscal quarter of 2004 was overstated and the second and third fiscal quarters of 2004 were understated. Six employees have been terminated for cause in connection with the investigation.

The company currently estimates that the amount of overstatement in operating income in the first quarter of 2004 was in the range of \$5 million to \$10 million, and the subsequent understatements in the second and third quarters reduce the net overstatement to a range of \$4 million to \$6 million through the end of the third quarter 2004. As a result, subject to completion of the investigation, acceptance of a final investigation report by the audit committee, and review by the company’s auditors, OfficeMax now expects to restate quarterly income in each of the first three fiscal quarters of 2004. Accordingly, the company believes that its previously issued interim statements of operating results for those periods should no longer be relied upon.

OfficeMax believes that its financial statements as of and for the year ended December 31, 2003, were not materially impacted.

The company expects its investigation to be complete by the third full week of February, 2005.

### Share Repurchases

OfficeMax again affirmed its intent to proceed with its previously announced share repurchases after 2004 financial results have been reported.

### Forward Looking Statements

This press release contains forward-looking statements about the company’s financial results, accounting plans, communications regarding financial results, and internal investigation. These include the range of operating income for our office products businesses for full-year 2004; the range of operating income overstatement in the first quarter of 2004 and the presence of subsequent understatements in the second and third quarters; the range of net income overstatement through the third quarter of 2004; the restatement of quarterly income in each of the first three fiscal quarters of 2004; reliance on previously

issued interim statements of operating results for those periods; the impact of the investigation results on our financial statements as of and for the year ended December 31, 2003; the timing of our announcement of fourth-quarter and full-year 2004 earnings; the timing of future corporate communications; and the timing of the internal investigation. Intervening or unexpected events, as well as inherent risks and uncertainties, could change our actual financial results, our plans regarding adjustment and restatement, our communications plan, and the time to completion of our internal investigation. Such events, risks and uncertainties include the results of the ongoing investigation; adjustments which may arise from the internal investigation as discussed above; the final results of our accounting for fourth-quarter and full-year 2004; the input of our auditors; the participation of third parties in the investigation; and other unanticipated events and uncertainties.

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In addition, this press release contains forward-looking statements about our intent to proceed with our share repurchases. While our current intent is to repurchase our common stock, there are inherent risks and uncertainties that could cause our plans to change. There is no assurance we will be able to repurchase stock as we anticipate today. Intervening or unexpected events could disrupt our plans. These could include the outcome of the investigation discussed above, unanticipated cash requirements, a changed business environment that alters our capital needs, unanticipated legal restrictions on our ability to proceed with the repurchase, acts of terrorism or other disasters that change the financial markets, and other unanticipated events.

The forward-looking statements in this release speak only as of the date of this release, and we undertake no duty to update them in light of new information.

***About OfficeMax***

OfficeMax is a leader in both business-to-business and retail office products distribution. OfficeMax delivers an unparalleled customer experience — in service, in product, in time savings, and in value - through a relentless focus on its customers. The company provides office supplies and paper, print and document services, technology products and solutions, and furniture to large, medium and small businesses and consumers. OfficeMax customers are served by more than 40,000 associates through direct sales, catalogs, Internet and nearly 950 superstores. OfficeMax trades on the New York Stock Exchange under the symbol OMX. More information can be found at [www.officemax.com](http://www.officemax.com).

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