

CASCADE CORP
Form DEF 14A
April 20, 2010
Table of Contents

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

CASCADE CORPORATION

(Name of Registrant as Specified In Its Charter)

Edgar Filing: CASCADE CORP - Form DEF 14A

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

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies: "

(2) Aggregate number of securities to which transaction applies: "

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): "

(4) Proposed maximum aggregate value of transaction: "

(5) Total fee paid: "

Fee paid previously with preliminary materials.

Edgar Filing: CASCADE CORP - Form DEF 14A

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed: ..

Table of Contents

NOTICE OF ANNUAL MEETING

Fellow Shareholders:

Cascade Corporation's 2010 Annual Meeting will take place on Wednesday, June 2, 2010, at 10:00 a.m., Pacific Time, at our corporate headquarters, 2201 N.E. 201st Avenue, Fairview, Oregon, 97024-9718, for the following purposes:

1. To elect two directors to serve three-year terms.

2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2011.

3. To transact such other business as may properly come before the meeting or any postponement or adjournment of the meeting. Shareholders of record at the close of business on April 1, 2010, will be entitled to receive notice of, attend, and vote at the meeting.

This Notice of Annual Meeting and the related proxy statement and other materials are being distributed or made available to shareholders beginning on or about April 20, 2010.

Your vote is important. Whether or not you plan to attend in person, we urge you to promptly vote your shares by telephone, by the Internet or, if this proxy statement was mailed to you, by returning the enclosed proxy card in order that your vote may be cast at the Annual Meeting.

Cordially,

James S. Osterman

Chairman

Portland, Oregon

March 31, 2010

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	1
<u>Methods of Voting</u>	1
<u>Votes Required for the Proposals</u>	2
<u>Quorum Requirement</u>	2
 <u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	 3
 <u>PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	 5
 <u>CORPORATE GOVERNANCE AND OTHER BOARD MATTERS</u>	 5
<u>Board Independence</u>	5
<u>Board Committees and Meetings</u>	6
<u>Audit Committee</u>	6
<u>Compensation Committee</u>	7
<u>Nominating and Governance Committee</u>	7
<u>Board's Role in Risk Oversight</u>	9
<u>Non-Executive Chairman of the Board; Executive Sessions</u>	9
<u>Contacting the Board</u>	9
<u>Director Compensation</u>	10
 <u>FEES PAID TO INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	 11
 <u>AUDIT COMMITTEE REPORT</u>	 11
 <u>EXECUTIVE COMPENSATION</u>	 13
<u>Compensation Discussion and Analysis</u>	13
<u>Summary Compensation Table for Fiscal 2010, 2009 and 2008</u>	20
<u>Grants of Plan-Based Awards in Fiscal 2010</u>	22
<u>Outstanding Equity Awards at Fiscal Year-End</u>	23
<u>Option Exercises and Stock Vested During Fiscal 2010</u>	25
<u>Potential Payments on Termination or Change-in-Control</u>	25
 <u>EQUITY COMPENSATION PLAN INFORMATION</u>	 26
 <u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	 26
 <u>VOTING SECURITIES, STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	 27
 <u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	 29
 <u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	 29
 <u>OTHER MATTERS</u>	 29
 <u>SHAREHOLDER PROPOSALS FOR 2011 ANNUAL MEETING</u>	 29

<u>NO INCORPORATION BY REFERENCE</u>	30
<u>ANNUAL REPORT</u>	30

Table of Contents

PROXY STATEMENT

GENERAL INFORMATION

Under rules adopted by the U.S. Securities and Exchange Commission (SEC), we are furnishing proxy materials to our shareholders on the Internet, rather than mailing printed copies of those materials to each shareholder. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request one. Instead, the Notice of Internet Availability will instruct you as to how you may access and review the proxy materials on the Internet. The Notice of Internet Availability also instructs you as to how you may vote your shares. If you received a Notice of Internet Availability by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability. The Notice of Internet Availability will be mailed to shareholders on or about April 20, 2010, the same date that this Proxy Statement and related materials will be distributed or made available to shareholders.

This Proxy Statement is furnished in connection with the solicitation of proxies by our Board of Directors (Board) to be used at the annual meeting of shareholders to be held at our corporate headquarters, 2201 N.E. 201st Avenue, Fairview, Oregon, 97024-9718, at 10:00 a.m., Pacific Time, on June 2, 2010.

We will bear the entire cost of proxy solicitation, which will be primarily by mail or electronically. Proxies may also be solicited in person or by telephone, facsimile, or other electronic means by our directors, officers and employees without additional compensation. We will ask brokers, custodians, nominees and other record holders to prepare and send a Notice of Internet Availability of Proxy Materials to those for whom they hold shares and forward copies of the proxy materials to beneficial owners who request paper copies and will reimburse them for their reasonable expenses.

Our Board has fixed the close of business on April 1, 2010, as the record date for determining the holders of our common shares that are entitled to notice of, and to vote at, the annual meeting. At the close of business on April 1, 2010, 10,886,886 common shares were outstanding. Each common share is entitled to one vote on all matters that properly come before the annual meeting. A quorum of shareholders will be established at the meeting if a majority of our outstanding common shares entitled to vote are present or represented by proxy.

If you own your shares through a broker, bank or other nominee and do not participate in electronic delivery of proxy materials, you will receive only one copy of our proxy materials if you share a single address with another shareholder unless we received instructions to the contrary from you. This practice, known as householding, is designed to eliminate duplicate mailings, conserve natural resources and reduce our printing and mailing costs. You can request to receive a separate Proxy Statement by contacting the institution that holds your shares.

Methods of Voting

You have three options for submitting your vote prior to the annual meeting:

via the Internet at www.proxyvote.com;

by phone (please see your proxy card for instructions); or

by requesting, completing and mailing in a paper proxy card, as outlined in the Notice of Internet Availability.

We encourage you to register your vote via the Internet. If you attend the annual meeting, you may also submit your vote in person, and any votes that you previously submitted, whether via the Internet, by phone or by

Table of Contents

mail, will be superseded by the vote that you cast at the annual meeting. Whether your proxy is submitted via the Internet, by phone or by mail, if it is properly completed and submitted and if you do not revoke it prior to the annual meeting, your shares will be voted at the in the manner set forth in this Proxy Statement or as otherwise specified by you.

You may revoke your proxy at any time before it is voted at the meeting. To revoke your proxy, you must:

enter a new vote by telephone, over the Internet, or by signing and returning another proxy card at a later date;

provide written notice of the revocation to Joseph G. Pointer, Secretary, at Cascade Corporation, 2201 N.E. 201st Avenue, Fairview, Oregon, 97204-9718; or

attend the meeting and vote in person.

Please note that if a broker, bank or other nominee is the record holder of your shares and you wish to vote at the annual meeting, you must bring to the meeting a letter from the record holder confirming your beneficial ownership of the shares. If a broker, bank or other nominee is the record holder of your shares and you wish to revoke your proxy, you must contact the record holder of your shares directly.

Votes Required for the Proposals

The election of directors (Proposal 1) will be determined by a plurality of the votes cast. Plurality means that the individuals who receive the highest number of votes are elected as directors, up to the number of directors to be chosen at the meeting. Ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2010 (Proposal 2), requires the affirmative vote of a majority of the votes cast. Abstentions or broker non-votes will have no effect on the required vote on any matter.

If you return a signed proxy without instructions, your shares will be voted in accordance with the recommendation of our Board FOR all nominees for election as directors and FOR ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm. If your shares are held in street name, New York Stock Exchange Euronext (NYSE) rules now prohibit brokers from voting your shares on Proposal 1 without receiving instructions from you on how to vote your shares. Without instructions from you, your broker, in its discretion, may either leave your shares unvoted or vote your shares on Proposal 2.

Quorum Requirement

A quorum, which is a majority of the outstanding shares entitled to vote as of the record date, April 1, 2010, must be present in order to hold the meeting and to conduct business. Shares are counted as being present if you vote in person at the meeting, by telephone, over the Internet, or by submitting a properly executed proxy card. Abstentions are counted as present for the purpose of determining a quorum.

Table of Contents**PROPOSAL 1: ELECTION OF DIRECTORS**

Our Board currently consists of seven directors, which our Bylaws divide into three groups. The term of office of one group expires at each annual meeting. This year the terms of Nicholas R. Lardy, Ph.D. and Nancy A. Wilgenbusch, Ph.D. expire. Each is nominated to a three-year term ending in 2013.

NOMINEES FOR ELECTION

NICHOLAS R. LARDY, Ph.D. Director since 1993 Age 64

Dr. Lardy became a Senior Fellow of the Peter G. Peterson Institute for International Economics, a policy research institution in Washington, D.C., in 2003. He served as a Senior Fellow at The Brookings Institution, also in Washington, D.C., from 1995 to 2003. As an economist with a specific expertise on China, Dr. Lardy provides our Board with insights into present and prospective world economic conditions affecting our markets and in particular conditions affecting China, our area of greatest growth over the past decade.

NANCY A. WILGENBUSCH, Ph.D. Director since 1997 Age 62

Dr. Wilgenbusch served as President of Marylhurst University from 1984 to June 2008. She currently serves as a director of West Coast Bancorp and is a trustee of the Tax-Free Trust of Oregon. She served from 2004 to 2007 as a director of Scottish Power PLC. Dr. Wilgenbusch's contributions to our Board stem from her experience in guiding Marylhurst University's growth, her past and present service on other public company boards, and her knowledge of and interest in issues related to employee morale and working conditions.

CONTINUING DIRECTORS**Term Expires 2011**

PETER D. NICKERSON Director since 2007 Age 52

Mr. Nickerson serves as a director of Growth-link Overseas Company, an investment enterprise based in Hong Kong with investments in China, Vietnam and India. Growth-link invests primarily in contract footwear manufacturing facilities and to a lesser extent that industry's upstream and downstream infrastructure. Mr. Nickerson has been a director of Growth-link since 1988. Mr. Nickerson brings to our Board a successful business background, with valuable experience operating manufacturing facilities throughout the Far East and in India, areas which have significant growth potential for our company.

ROBERT C. WARREN, JR. Director since 1982 Age 61

Mr. Warren has served as our President and Chief Executive Officer since 1996. He was President and Chief Operating Officer prior to 1996, and was formerly Vice President - Marketing. He is a Director of ESCO Corporation, a privately held manufacturer of high alloy steel products. Mr. Warren, as a result of his long tenure and multiple roles with Cascade, has unique and detailed knowledge of, and insights into, our industry and the challenges and opportunities we face in a competitive world marketplace.

HENRY W. WESSINGER II Director since 1998 Age 56

Mr. Wessinger has been Vice President - Senior Portfolio Manager of UBS Financial Services since 2006. Previously, he was Senior Vice President, Ragen MacKenzie, a Division of Wells Fargo Investments, LLC from 1990 to 2006. He serves as Treasurer of the Wessinger

Edgar Filing: CASCADE CORP - Form DEF 14A

Foundation. Mr. Wessinger provides our Board with informed guidance as to our shareholders' interests and as to public securities markets generally.

Table of Contents

Term Expires 2012

DUANE C. McDOUGALL Director since 2002 Age 58
Mr. McDougall has been Chairman of the Board of Boise Cascade, LLC, a privately held manufacturer of wood products, since December 2008 and served as its Chief Executive Officer from December 2008 to August 2009. He served as President and Chief Executive Officer of Willamette Industries, Inc., an international forest products company, from 1998 to 2002. Prior to becoming President and Chief Executive Officer, Mr. McDougall served as Chief Accounting Officer and in other positions during his 21 year tenure with Willamette. He serves as a Director of the following publicly held companies: StanCorp Financial Group, Inc., The Greenbrier Companies, Inc., and West Coast Bancorp, and was a director of InFocus Corporation from 2003 to 2007. Mr. McDougall brings his background as chief executive officer of two international, multi-plant forest products companies, and his service on a number of public company boards and audit committees, to our Board's efforts to plan effectively for the future and to comply with regulatory requirements in the many jurisdictions in which we conduct our business.

JAMES S. OSTERMAN Director since 1994 Age 72
Mr. Osterman served as President and Chief Executive Officer of Blount International, Inc. (Blount), a diversified international manufacturing company, from 2002 until December 2009 and will continue to serve as Chairman and a Director of Blount until May 2010. He served as President of Outdoor Products Group, Oregon Cutting Systems Division of Blount, Inc., from 1986 to 2002. Our Board benefits from Mr. Osterman's years of experience as a key manufacturing and operating executive of a multinational, multi-plant producer of industrial products.

Our Board unanimously recommends that you vote For each nominee.

Table of Contents

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM

The Audit Committee has appointed PricewaterhouseCoopers LLP to serve as Cascade's independent registered public accounting firm for the fiscal year ending January 31, 2011, and as a matter of good corporate governance we are asking shareholders to ratify this appointment. Representatives of PricewaterhouseCoopers LLP are expected to be present at the annual meeting. They will have the opportunity to make a statement if they desire to do so, and will be available to respond to appropriate questions from shareholders. If the selection of PricewaterhouseCoopers LLP is not ratified, the Audit Committee will consider whether it should select another independent registered public accounting firm.

Our Board unanimously recommends a vote FOR the proposal to ratify the appointment of PricewaterhouseCoopers LLP as Cascade's independent registered public accounting firm for the fiscal year ending January 31, 2011.

CORPORATE GOVERNANCE AND OTHER BOARD MATTERS

We are committed to conducting our operations in accordance with accepted principles of good corporate governance and to applying the highest standards of ethical and legal conduct in our business dealings. Our Corporate Governance Guidelines and our Code of Ethics & Business Responsibilities for Directors, Officers and Employees are available on our website at www.cascorp.com and in print to any shareholder who requests them.

Board Independence

Our Corporate Governance Guidelines provide that a majority of the Board must meet the criteria for independence established by applicable law and the requirements of the NYSE. The Board has determined that all of the current directors other than Mr. Warren, our President and Chief Executive Officer, are independent in accordance with applicable law and NYSE requirements. In making its determination, the Board applied the following director independence standards, which reflect the NYSE director independence standards currently in effect:

No director qualifies as independent unless the Board affirmatively determines that the director has no material relationship with Cascade or any of its subsidiaries (either directly or as a partner, shareholder or officer of an organization that has a relationship with Cascade or any of its subsidiaries);

A director who is an employee or whose immediate family member is an executive officer of Cascade or any of its subsidiaries is not independent. Such director will become independent three years after the end of such employment relationship;

A director who receives, or whose immediate family member receives, more than \$120,000 per year in direct compensation from Cascade or any of its subsidiaries, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent. Such director will become independent three years after he or she ceases to receive more than \$120,000 per year in such compensation;

A director who is a partner or employee of a firm that is Cascade's internal or external auditor, whose immediate family member is a partner of that firm, whose immediate family member is an employee of that firm who personally works on Cascade's audit, or who, within the last three years, was a partner or employee of that firm and personally worked on Cascade's audit during that time or had an immediate family member who was a partner or employee of that firm who personally worked on Cascade's audit during that time, is not independent;

Table of Contents

A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of Cascade's or any of its subsidiaries' present executives serve on that company's compensation committee is not independent. Such director will become independent three years after the end of such service or the employment relationship; and

A director who is an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, Cascade or any of its subsidiaries for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues, is not independent until three years after such payments cease to exceed such threshold.

The Board has also determined that those directors who serve on the Audit, Compensation and Nominating and Governance Committees of the Board are independent in accordance with applicable law and NYSE requirements. In making its determination with respect to Mr. Wessinger, the Board considered the business relationship between Mr. Warren personally and Mr. Wessinger arising from Mr. Wessinger's position as Vice President - Senior Portfolio Manager of UBS Financial Services and concluded that the relationship was not material to Mr. Wessinger's independence.

Board Committees and Meetings

The Board currently has standing Audit, Compensation and Nominating and Governance Committees. During the year ended January 31, 2010, each director attended at least 75% in aggregate of the meetings of the Board and committees on which

he or she served. The members of the committees and the number of meetings held during the year are identified in the following table.

Director	Board	Audit	Nominating and Governance	Compensation
Nicholas R. Lardy	X	X	X	X (Chair)
Duane C. McDougall	X	X (Chair)	X	X
Peter D. Nickerson	X	X	X	X
James S. Osterman	X (Chair)	X	X	X
Robert C. Warren, Jr.	X			
Henry W. Wessinger II	X	X	X (Chair)	X
Nancy A. Wilgenbusch	X	X	X	X
Number of meetings	4	4	3	3

Directors are encouraged to attend the annual meeting of shareholders, absent unavoidable circumstances which do not permit attendance. All directors attended the 2009 annual meeting of shareholders.

Audit Committee

The Audit Committee assists the Board with oversight of the integrity of our financial statements, the independent registered public accounting firm's qualifications and independence, the performance of our internal audit function and independent registered public accounting firm and our compliance with legal and regulatory requirements. The Audit Committee is also charged with the responsibility for satisfying itself regarding the following:

Our system of internal controls is reasonably adequate and is operating effectively;

Our systems, procedures and policies provide reasonable assurance that financial information is fairly presented;

Table of Contents

Overall annual audit coverage is satisfactory and is designed to provide reasonable assurance that our financial statements fairly reflect our financial condition and the results of our operations;

Appropriate standards of business conduct are established and observed.

The Audit Committee also conducts an annual evaluation of its performance in fulfilling its duties and responsibilities. The report of the Audit Committee is included in this proxy statement. The charter of the Audit Committee is available at www.cascorp.com and in print to any shareholder who requests it.

Each member of the Audit Committee is independent in accordance with applicable SEC rules and NYSE requirements. The Board has determined that Mr. McDougall qualifies as an audit committee financial expert as defined in the rules of the SEC. The Board has also determined that Mr. McDougall's service on the audit committees of Boise Cascade, LLC, The Greenbrier Companies, Inc., StanCorp Financial Group, Inc., and West Coast Bancorp will not impair his ability to serve on our Audit Committee.

Compensation Committee

The Compensation Committee provides assistance to the Board in fulfilling its responsibilities related to the compensation of the directors and key management personnel of Cascade. The Compensation Committee is authorized to delegate its authority to subcommittees it may form. Each member of the Compensation Committee is independent in accordance with the requirements of the NYSE. Specific responsibilities of the Compensation Committee include:

Reviewing and discussing with management the Compensation Discussion and Analysis and other executive compensation disclosures included in our proxy statement and issuing an annual report on executive compensation in connection therewith;

Annually reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer (CEO);

Evaluating the CEO's performance and making recommendations regarding the CEO's compensation level based on the evaluation for approval by the independent members of the Board;

Reviewing and making recommendations to the Board with respect to the compensation of our key management personnel and directors;

Reviewing and making recommendations to the Board with respect to our incentive and equity based compensation plans;

Conducting an annual evaluation of the Compensation Committee's performance in fulfilling its duties and responsibilities;

Making regular reports to the Board.

The report of the Compensation Committee is included in this proxy statement. The charter of the Compensation Committee is available on our website at www.cascorp.com, and in print to any shareholder who requests it.

Nominating and Governance Committee

Edgar Filing: CASCADE CORP - Form DEF 14A

The Nominating and Governance Committee provides oversight on issues surrounding the composition and operation of the Board. Specific responsibilities of the Nominating and Governance Committee include:

Identifying individuals qualified to serve on the Board.

Recommending director nominees to the Board for election at our annual meeting of shareholders or for appointment by the Board to fill existing or newly created vacancies on the Board.

Table of Contents

Identifying members of the Board to serve on and to chair each Board committee.

Developing and revising as appropriate our Corporate Governance Guidelines.

Recommending such guidelines or revisions to the Board.

Reviewing the charters of each Board committee and, when necessary or appropriate, recommending changes in such charters to the Board.

Overseeing the annual evaluation by the Board of itself and its members.

Overseeing the Board's evaluation of management.

Conducting an annual evaluation of its performance in fulfilling its duties and responsibilities.

Making regular reports to the Board.

Monitoring the development of best practices regarding corporate governance.

Taking a leadership role in shaping corporate governance.

Each member of the Nominating and Governance Committee is independent in accordance with the requirements of the NYSE. The charter of the Nominating and Governance Committee is available on our website at www.cascorp.com and in print to any shareholder who requests it.

The policy of the Nominating and Governance Committee is to consider recommendations for director nominees submitted by shareholders. Shareholders requesting the Nominating and Governance Committee to consider their recommendations for nominees should submit their recommendations, together with appropriate biographical information and qualifications, in writing to the Nominating and Governance Committee. Nominee recommendations should be addressed to:

Corporate Secretary

Cascade Corporation

Post Office Box 20187

Portland, OR 97294-0187

Our Corporate Governance Guidelines contain Board membership criteria that apply to nominees recommended by the Nominating and Governance Committee. Under these criteria, nominees should possess the highest personal and professional ethics, a background and expertise useful to Cascade and complementary to and different from the background of the other directors and a willingness to devote the required time to the duties and responsibilities of Board membership. In fulfilling its responsibility to identify individuals qualified to serve on the Board and recommending to the Board nominees for election at our annual meeting of shareholders or for appointment by the Board to fulfill an existing or newly created vacancy on the Board the Nominating and Governance Committee evaluates the Board's effectiveness and composition. This

Edgar Filing: CASCADE CORP - Form DEF 14A

includes consideration of the business and professional backgrounds of directors, their current employment, community service and other board service. In addition, although our Corporate Governance Guidelines do not prescribe diversity standards, the Nominating and Governance Committee considers, as a matter of practice, diversity with respect to personal characteristics such as race, ethnicity, gender, and age when identifying and recommending nominees for the Board.

When nominating a candidate to fill a vacancy created by the expiration of the term of a member of the Board, the Nominating and Governance Committee determines whether the incumbent director is willing to stand for re-election. If so, the committee evaluates his or her performance in office to determine suitability for continued service, taking into consideration the value of continuity and familiarity with our business, the

Table of Contents

director's history of attendance at board and committee meetings and the director's preparation for and participation in such meetings. When nominating a candidate to fill a vacancy where the committee has determined that an incumbent director should not or is not willing to stand for re-election or where the need to add a new board member has been identified, the Committee initiates a candidate search by seeking input from members of the Board and senior management, considering recommendations submitted by shareholders and hiring a search firm, if necessary.

The nominating process begins by identifying a candidate or group of candidates, including any candidates who may be submitted by shareholders, who will satisfy specific criteria and otherwise qualify for membership on the Board. These candidates are then presented to the Nominating and Governance Committee, which ranks the candidates. The Chairman, the CEO and at least one member of the Nominating and Governance Committee interview the prospective candidate or candidates. Other Board members are offered the opportunity to interview candidates. The Nominating and Governance Committee then meets to consider and approve the final candidate or candidates and to recommend and seek the endorsement of the full Board.

Board's Role in Risk Oversight

The Board oversees risk through management presentations at Board meetings and through its Audit Committee. The Audit Committee charter provides that the Committee shall discuss with management the Company's risk exposures and the steps management has taken to monitor and control such exposures. As part of this process, our Director of Internal Audit conducts risk assessments under the Committee's authority, providing periodic reports to the Committee, and the Committee reports to the full Board at least quarterly.

The Board believes its administration of its risk oversight function has not affected the Board's leadership structure.

Non-Executive Chairman of the Board; Executive Sessions

An independent director currently serves as Chairman of the Board. This structure allows for the active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board.

Non-management directors meet in executive session without management in conjunction with at least one Board meeting each quarter and may also meet at other times. Mr. Osterman, as our Chairman, presides at all executive sessions.

Contacting the Board

Individuals may contact the Board as a group or an individual director at the following mailing address:

Board of Directors

Attention: Corporate Secretary

Cascade Corporation

Post Office Box 20187

Portland, OR 97294-0187

The name of the individual director or group of directors to whom the communication is directed should be clearly specified. Communications will be promptly forwarded by the Corporate Secretary to the specified director or to Mr. Osterman if the communication is addressed to the full Board. Shareholders wishing to submit proposals for inclusion in the Proxy Statement relating to the 2011 Annual Meeting of Shareholders should follow the procedures specified under "Shareholder Proposals for 2011 Annual Meeting". Shareholders wishing to recommend nominees for the Board should follow the procedures specified under "Corporate Governance and Other Board Matters - Nominating and Governance Committee."

Table of Contents**Director Compensation**

The following table summarizes the compensation paid to our non-employee directors for the fiscal year ended January 31, 2010:

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation (2)	Total
Nicholas R. Lardy	\$ 47,250	\$ 60,000				\$ 432	\$ 107,682
Duane C. McDougall	\$ 52,800	\$ 60,000				\$ 432	\$ 113,232
Peter D. Nickerson	\$ 41,700	\$ 60,000				\$ 334	\$ 102,034
James S. Osterman	\$ 88,875	\$ 60,000				\$ 432	\$ 149,307
Henry W. Wessinger II	\$ 47,250	\$ 60,000				\$ 432	\$ 107,682
Nancy A. Wilgenbusch	\$ 41,700	\$ 60,000				\$ 432	\$ 102,132

(1) Represents the aggregate grant date fair value computed in accordance with U.S. Generally Accepted Accounting Principles (US GAAP) of shares of restricted common stock issued to directors on as of June 5, 2009. Each non-employee director received an award of 2,449 shares of restricted stock based on the closing market price of \$24.50 per share on that date.

(2) Amounts reflect dividends received on restricted stock issued June 5, 2009, June 6, 2008, and June 8, 2007. At January 31, 2010, our non-employee directors had the following outstanding SAR and restricted stock awards:

Name	Outstanding SAR Awards	Outstanding Restricted Stock Awards (Shares)
Nicholas R. Lardy	10,400	4,619
Duane C. McDougall	10,400	4,619
Peter D. Nickerson		3,805
James S. Osterman	10,400	4,619
Henry W. Wessinger II	4,625	4,619
Nancy A. Wilgenbusch	10,400	4,619

Annual retainers received by directors are as follows:

Chairman of the Board	\$ 67,500
Audit Committee Chair	32,400
Compensation Committee Chair	27,000
Nominating and Governance Committee Chair	27,000
Other	21,600

Effective June 1, 2009, annual retainers were reduced by 10% from previous levels in view of economic conditions.

Non-employee directors also receive \$1,500 for each Board and committee meeting attended. Under the Cascade Corporation Stock Appreciation Rights and Restricted Stock Plan approved by our shareholders, each non-employee director is awarded restric