

GEORGIA PACIFIC CORP  
Form SC TO-C  
March 28, 2003  
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# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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## SCHEDULE TO-C

TENDER OFFER STATEMENT UNDER SECTION 14(d) OR 13(e)(1)  
OF THE SECURITIES EXCHANGE ACT OF 1934

### GEORGIA-PACIFIC CORPORATION

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(Name of Subject Company (Issuer))

### GEORGIA-PACIFIC CORPORATION

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(Names of Filing Persons (Offeror))

Georgia-Pacific Group Common Stock, Par Value \$0.80 Per Share

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(Title of Class of Securities)

373298108

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(CUSIP Number of Class of Securities)

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Kenneth F. Khoury, Esq.

Vice President, Deputy General Counsel and Secretary

**GEORGIA-PACIFIC CORPORATION**

133 Peachtree Street, N.E.

Atlanta, Georgia 30303

(404) 652-4000

*Copy To:*

Cal Smith, Esq.

Troutman Sanders LLP

600 Peachtree Street, Suite 5200

Atlanta, Georgia 30308

Telephone: (404) 885-3352

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(Name, Address and Telephone Numbers of Person

Authorized to Receive Notices and Communications on Behalf of Filing Persons)

**CALCULATION OF FILING FEE\***

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<b>Transaction</b>	<b>Amount of Filing Fee</b>
<b>Valuation</b>	
Not Applicable	Not Applicable

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\* No filing fee is required because this filing contains only preliminary communications made before the commencement of a tender offer.

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

Amount Previously Paid:	Not Applicable	Filing Party:	Not Applicable
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Form or Registration No.:	Not Applicable	Date Filed:	Not Applicable
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Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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Attached hereto are Georgia-Pacific Corporation's Notice of 2003 Annual Meeting of Shareholders and Proxy Statement for its Annual Meeting of Shareholders to be held on May 6, 2003, and the related materials filed with the Securities and Exchange Commission in connection with the 2003 Annual Meeting (the Proxy Materials). The Proxy Materials contain a proposal asking Georgia-Pacific shareholders to amend various Georgia-Pacific employee benefit plans to permit the exchange of outstanding stock options for a lesser number of shares of restricted stock (the Option Exchange). If the benefit plan amendments are approved by shareholders, eligible employees will be offered the opportunity to participate in the Option Exchange. Simultaneously with the commencement of the Option Exchange, Georgia-Pacific will also offer eligible employees (directors and executive officers are not eligible to participate) the opportunity to exchange eligible stock appreciation rights (SARs) for a lesser number of replacement SARs (the SAR Exchange and together with the Option Exchange, the Exchange Program). The Proxy Materials do not constitute an offer to holders of eligible options to exchange their options for shares of restricted stock, nor do they constitute an offer to holders of eligible SARs to exchange their SARs for replacement SARs.

*Georgia-Pacific has not commenced the Exchange Program and will not complete the Exchange Program unless shareholders approve the proposal referred to above. At the time the Exchange Program is commenced, eligible employees will be sent written materials explaining the precise terms and timing of the Exchange Program. Eligible employees are urged to read these written materials carefully when they become available, because they will contain important information about the Exchange Program. Upon commencement of the Exchange Program, Georgia-Pacific will file the written materials relating to the Exchange Program with the Securities and Exchange Commission as part of a tender offer statement on Schedule TO. Eligible employees, as well as shareholders and members of the public, will be able to obtain these written materials and other documents filed by Georgia-Pacific with the Securities and Exchange Commission free of charge from the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov). Holders of eligible stock options and eligible SARs may obtain a written copy of the tender offer materials, when available, free of charge by calling Equiserve Trust Company, N.A. at 1-888-700-3837, or by writing to Equiserve at 525 Washington Boulevard, 6th Floor, Jersey City, NJ 07310, Attention: Georgia-Pacific Exchange Program.*

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March 26, 2003

Dear Fellow Shareholder:

You are invited to attend Georgia-Pacific Corporation's Annual Meeting of Shareholders at 11:00 a.m., Eastern time, on Tuesday, May 6, 2003. The Annual Meeting will be held in the Auditorium at Georgia-Pacific Center, 133 Peachtree Street, N.E., in Atlanta, Georgia. We hope you can attend.

We look forward to reporting to you on recent events at your Company as well as on other important matters. In addition, we will vote on the matters set forth in the attached Notice of Annual Meeting and Proxy Statement.

We have again provided to you the option of voting by mail, telephone or the Internet. Your vote is important. Even if you plan to attend the meeting, please vote as soon as possible.

Sincerely,

A. D. Correll

*Chairman and Chief Executive Officer*

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS MAY 6,  
2003**

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**TIME**

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11:00 a.m., Eastern time, on Tuesday, May 6, 2003

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**BUSINESS**

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- (1) Elect 5 members of the Board of Directors.
  - (2) Consider and act on a proposal to (i) amend various Georgia-Pacific employee benefit plans to permit the exchange of outstanding stock options for a lesser number of shares of restricted stock and (ii) make an additional unrelated amendment to the Georgia-Pacific Corporation Long-Term Incentive Plan (the "LTIP").
  - (3) Reapprove the LTIP's performance-based criteria in connection with Section 162(m) of the Internal Revenue Code of 1986, as amended.
  - (4) Consider and act on a proposal approving the amendment and restatement of one of our existing employee stock purchase plans that is limited to employees of select companies in which we have at least a 50% ownership interest.
  - (5) Consider and act on a shareholder proposal, if properly presented at the meeting, urging Georgia-Pacific to establish a policy prohibiting the harvesting and trading of products from primary, old growth or other endangered forests.
  - (6) Consider and act on a shareholder proposal, if properly presented at the meeting, requesting Georgia-Pacific's Board of Directors to amend the Company's Bylaws to require that an independent director serve as the Chairman of our Board of Directors.
  - (7) Consider and act on a shareholder proposal, if properly presented at the meeting, urging Georgia-Pacific to establish a policy of expensing the costs of all future stock options issued by the Company.
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**DOCUMENTS**

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The Proxy Statement, proxy card, Annual Review and our Annual Report on Form 10-K are included in this mailing. They are first being mailed to shareholders on or about March 31, 2003.

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**PLACE**

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The Auditorium at Georgia-Pacific Center

133 Peachtree Street, N.E.

Atlanta, Georgia

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**RECORD DATE**

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Owners of shares of common stock of Georgia-Pacific at the close of business on March 12, 2003 may attend and vote at the meeting.

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**EXECUTIVE OFFICES**

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Georgia-Pacific Corporation

133 Peachtree Street, N.E.

Atlanta, Georgia 30303-1847

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**VOTING**

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Even if you plan to attend the meeting in Atlanta, please provide us with your voting instructions in one of the following ways as soon as possible:

- (1) Internet use the Internet address on the proxy card;
- (2) Telephone use the toll-free number on the proxy card; or
- (3) Mail mark, sign, and date the proxy card and return it in the enclosed postage-paid envelope.

By order of the Board of Directors,

Kenneth F. Khoury

*Vice President, Deputy General Counsel and Secretary*

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**QUESTIONS AND ANSWERS**

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**Q: Who is entitled to vote?**

**A:** Georgia-Pacific shareholders of record as of the close of business on March 12, 2003 are entitled to vote at the Annual Meeting.

**Q: What will I likely be voting on?**

**A:** There are 7 proposals that may be voted on at the Annual Meeting:

- n the election of 5 directors;
- n a proposal to (i) amend various Georgia-Pacific employee benefit plans to permit the exchange of outstanding stock options for a lesser number of shares of restricted stock (the Option Exchange ) and (ii) make an additional unrelated amendment to the Georgia-Pacific Corporation Long-Term Incentive Plan (the LTIP );
- n a proposal to reapprove the LTIP 's performance-based criteria in connection with Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code );
- n a proposal to approve the amendment and restatement of one of our existing employee stock purchase plans that is limited to employees of select companies in which we have at least a 50% ownership interest (the Employee Stock Purchase Plan );
- n a shareholder proposal urging Georgia-Pacific to establish a policy prohibiting the harvesting and trading of products from primary, old growth or other endangered forests;
- n a shareholder proposal requesting Georgia-Pacific 's Board of Directors to amend the Company 's Bylaws to require that an independent director serve as the Chairman of our Board of Directors; and
- n a shareholder proposal urging Georgia-Pacific to establish a policy of expensing the costs of all future stock options issued by the Company.

The Board of Directors knows of no other matters to be voted on at the Annual Meeting.

**Q: When and where is the Annual Meeting?**

**A:** The Annual Meeting is scheduled to begin at 11:00 a.m. on Tuesday, May 6, 2003, in the Auditorium at Georgia-Pacific Center, 133 Peachtree Street, N.E., in Atlanta, Georgia.

**Q: What are the Board 's recommendations?**

**A:** In summary, the Board of Directors recommends a vote:

- n FOR the election of the nominated slate of directors (see pages 5-6);
- n FOR the approval of the amendments to benefit plans to implement the Option Exchange and to make an additional unrelated amendment to the LTIP (see pages 28-40);
- n FOR the reapproval of the LTIP 's performance-based criteria in connection with Section 162(m) of the Code (see page 41);

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- n FOR the amendment and restatement of the Employee Stock Purchase Plan (see pages 42-44);
- n AGAINST the establishment of a policy prohibiting the harvesting and trading of products from primary, old growth of other endangered forests (see pages 45-46);
- n AGAINST the amendment of our Bylaws to require that an independent director serve as the Chairman of our Board of Directors (see pages 47-48); and
- n AGAINST the establishment of a policy of expensing in the Company's annual income statement the costs of all future stock options issued by the Company (see pages 49-51).

**Q: How many votes are needed to approve each item?**

**A:** n **Directors.** The affirmative vote of a plurality of the votes cast by the shares entitled to vote at the Annual Meeting is required to elect each director.

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## QUESTIONS AND ANSWERS

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- n **Amendments to Benefit Plans to Implement the Option Exchange and an Additional Unrelated Amendment to the LTIP.** The votes cast in favor of this proposal must exceed the votes cast in opposition for the proposal to be adopted, provided that the total number of votes cast on this matter represents greater than 50% of our outstanding shares.
- n **Reapproval of the LTIP's Performance-Based Criteria.** The votes cast in favor of this proposal must exceed the votes cast in opposition for this proposal to be adopted.
- n **Approval of the Amendment and Restatement of the Employee Stock Purchase Plan.** The votes cast in favor of this proposal must exceed the votes cast in opposition for this proposal to be adopted.
- n **Shareholder Proposals.** The votes cast in favor of the shareholder proposal must exceed the votes cast in opposition for a proposal to be adopted.

**Q: How will my proxy be voted?**

- A:** Unless you give other instructions, the persons named as proxies on the enclosed proxy card will vote in accordance with the recommendation of the Board of Directors. Accordingly, if no specification is made, shares properly represented by proxies will be voted FOR the director nominees named on pages 5-6, FOR the amendments to our benefit plans to implement the Option Exchange and an additional unrelated amendment to the LTIP, FOR the reapproval of the LTIP's performance-based criteria, FOR the amendment and restatement of the Employee Stock Purchase Plan and AGAINST each of the shareholder proposals.

**Q: How will abstentions and broker non-votes be treated?**

- A:** n **Directors.** Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will count toward the presence of a quorum.
- n **Amendments to Benefit Plans to Implement the Option Exchange and an Additional Unrelated Amendment to the LTIP.** Except as described below, an abstention or broker non-vote will have the effect of a vote against this proposal since they are not counted as votes cast and therefore will not count towards the requirement that greater than 50% of our outstanding shares vote on this matter. However, if more than 50% of our outstanding shares vote on this proposal, abstentions and broker non-votes will have no effect on the result of the vote. In any event, abstentions and broker non-votes will count toward the presence of a quorum.
- n **Reapproval of the LTIP's Performance-Based Criteria.** Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will count toward the presence of a quorum.
- n **Approval of the Amendment and Restatement of the Employee Stock Purchase Plan.** Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will count toward the presence of a quorum.
- n **Shareholder Proposals.** Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will count toward the presence of a quorum.

**Q: How will voting on any other business be conducted?**

- A:** If any matter other than those currently scheduled to be voted on is properly raised and presented at the Annual Meeting, your vote gives authority to the persons named on

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**QUESTIONS AND ANSWERS**

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the proxy card to vote on any such matter in their discretion. To the extent any other matter is voted on, generally the votes cast in favor of the matter must exceed those cast in opposition in order for the matter to be approved.

**Q: How many votes is each share entitled to?**

**A:** Each share of Georgia-Pacific common stock is entitled to one vote.

**Q: How do I vote?**

**A:** You may vote:

n by attending the Annual Meeting;

n via the Internet at [www.eproxyvote.com/gp](http://www.eproxyvote.com/gp);

n by telephone at 1-877-779-8683 (1-877-PRX-VOTE) as directed on your proxy card; or

n by completing and mailing your proxy card.

Specific instructions for voting are described on the enclosed proxy card.

**Q: Can I change my vote?**

**A:** Yes. You may revoke your proxy by submitting a new proxy by one of the methods described in the previous question and answer, or by sending a written request to change your vote that must be received by our Secretary prior to the Annual Meeting. Giving your proxy does not deprive you of your right to vote in person should you attend the Annual Meeting.

**Q: Who will tabulate the votes?**

**A:** EquiServe Trust Company, N.A. ( EquiServe ) will tabulate the votes and act as inspector of election.

**Q: How many votes does Georgia-Pacific need in order to hold the meeting?**

**A:** As of the record date, March 12, 2003, 250,319,958 shares of common stock of Georgia-Pacific were outstanding. Accordingly, the total number of possible votes is 250,319,958. A number of votes equal to or greater than a majority of the possible votes, or 125,159,979 (including abstentions), will constitute a quorum. No business may be transacted at the Annual Meeting without a quorum. If you are present at the Annual Meeting in person or by proxy, or vote by proxy card, telephone or the Internet, you will be considered part of the quorum.

**Q: Is my vote confidential?**

**A:** Proxy cards, ballots and voting tabulations that identify individual shareholders are mailed or returned directly to EquiServe, and handled in a manner that protects your privacy. Your vote will not be disclosed except: (1) as needed to permit EquiServe to tabulate and certify the vote; (2) as required by law; (3) if we determine in good faith that a bona fide dispute exists as to the accuracy or authenticity of a proxy, ballot or vote; or (4) in the event of a proxy contest, unless all parties to the contest agree to follow Georgia-Pacific's confidentiality policy.

**Q: What does it mean if I get more than one proxy card?**

**A:** You may receive a proxy card for each account that you have, including shares held by the trustee in the Company's dividend reinvestment plan or any employee benefit plan. Please vote by proxy for all accounts to ensure that all of your shares are voted. The proxy card (or

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cards) you receive represents all of the shares you are entitled to vote. If you wish to consolidate multiple accounts, please contact our transfer agent, EquiServe, at 1-800-519-3111.

**Q: How will shares in Georgia-Pacific employee benefit plans be voted?**

**A:** This proxy statement is being used to solicit voting instructions for the shares of the Company's common stock which are held by the Trustee of the Company's benefit plans for the benefit of plan participants. Shares held in our benefit plans that are entitled to vote will

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**QUESTIONS AND ANSWERS**

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be voted by the Trustee pursuant to your instructions. Shares held in any employee benefit plan that are entitled to vote but do not vote will not be counted. You must instruct the Trustee to vote your shares by utilizing the voting methods described above; namely, by the Internet, by telephone or by completing and mailing your proxy card.

**Q: When are shareholder proposals intended for inclusion in next year's Annual Meeting Proxy Statement due?**

**A:** The deadline for receipt of shareholder proposals intended to be included in the proxy statement or otherwise for next year's annual meeting is the close of business on December 1, 2003. They must be submitted in writing to Kenneth F. Khoury, Vice President, Deputy General Counsel and Secretary, Georgia-Pacific Corporation, 133 Peachtree Street, N.E., Atlanta, Georgia 30303.

**Q: What if I do not meet the deadline for including a proposal in the proxy statement for next year's annual meeting?**

**A:** Proposals not included in the proxy statement for next year's annual meeting may still be presented directly at the meeting. However, management will be able to vote proxies in its discretion on any such proposal if Georgia-Pacific: (1) receives notice of the proposal before the close of business on February 12, 2004, and advises shareholders in the annual meeting proxy statement about the nature of the matter and how management intends to vote on such matter; or (2) does not receive notice of the proposal prior to the close of business on February 15, 2004. Notices of intention to present proposals at next year's annual meeting should be addressed to Kenneth F. Khoury, Vice President, Deputy General Counsel and Secretary, Georgia-Pacific Corporation, 133 Peachtree Street, NE, Atlanta, Georgia 30303.

**Q: Who are the proxy solicitors and what are the solicitation expenses?**

**A:** We have hired D.F. King & Co., Inc. to solicit proxies for \$35,000, plus its costs, to assist in the distribution of proxy material and solicitation of votes by mail, telephone, facsimile or personal meetings. Our officers, directors and employees may also assist with solicitation efforts.

We will reimburse brokers and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to owners of Georgia-Pacific stock in accordance with the fee schedule approved by the New York Stock Exchange.

**Q: May I access this year's proxy statement and annual report via the Internet?**

**A:** Yes. This proxy statement and our 2002 Annual Report on Form 10-K are available by accessing the Investor Information section under the About Us tab on our Internet site at [www.gp.com](http://www.gp.com). In addition, most shareholders can elect to receive future proxy statements, annual reports and proxy cards over the Internet instead of receiving paper copies in the mail. Links will be provided to elect this option if you vote on the Internet in accordance with the instructions on your proxy card.

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**NOMINEES AND DIRECTORS**

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**Proposal No. 1 Election of Directors**

Our Bylaws divide the Board into 3 classes, with the directors in each class serving for a term of 3 years and until their successors are elected and qualified.

The persons named on the enclosed proxy card will vote each properly executed proxy for the election of the following nominees as directors unless authority to so vote is withheld. If any named nominee becomes unavailable for election, the Board may substitute another nominee or reduce the number of directors to be elected. In the event the Board names a substitute nominee, the proxy would be voted for the substitute nominee. The terms of the remaining directors of the Company will continue as indicated below. Proxies can be voted for no more than 5 persons.

The Board of Directors recommends that shareholders vote **FOR** the election of the 5 nominees named below.

**CLASS I DIRECTOR NOMINEES, term ends May 2, 2006**

JANE EVANS, 58, Chief Executive Officer of Opnix Internet Technologies (an Internet licensing company) since January 2003, has been one of our directors since 1994. From May 2001 to January 2003, Ms. Evans was the Chief Executive Officer of Opnix, Inc. (a provider of Internet traffic management and routing products). From August 1995 to May 2001, Ms. Evans served as President and Chief Executive Officer of GAMUT Interactive, Inc. (a provider of television and consumer operating systems). In May 2001, GAMUT filed for bankruptcy under Chapter 7 of the Bankruptcy Code. From April 1991 until March 1995, Ms. Evans was Vice President and General Manager of the Home and Personal Services Market Unit of US West Communications, Inc.

Ms. Evans is also a director of Hypercom Corporation, KB Home, Main Street and Main Incorporated, PETsMART, Inc. and Altria Group, Inc.

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SIR RICHARD V. GIORDANO, 69, Chairman of BG Group plc (oil and gas exploration and production distributor and seller of gas and gas supported services) since January 1994, has been one of our directors since 1984 and our Lead Director since November 2002.

He is also a director of Rio Tinto plc.

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## **NOMINEES AND DIRECTORS**

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M. DOUGLAS IVESTER, 56, President of Deer Run Investments, LLC (an investment management company) since February 2000, has been one of our directors since 1993. Mr. Ivester served as Chief Executive Officer of The Coca-Cola Company from October 1997 to February 2000 and as President and Chief Operating Officer from July 1994 until October 1997.

Mr. Ivester is also a director of SunTrust Banks, Inc., S1 Corporation and Service Central, Inc.

LOUIS W. SULLIVAN, M.D., 69, President Emeritus of Morehouse School of Medicine since July 2002, has been one of our directors since 1993. Dr. Sullivan served as President of Morehouse School of Medicine from January 1993 until July 2002 and as Secretary of the United States Department of Health and Human Services from March 1989 until January 1993.

Dr. Sullivan is also a director of Bristol-Myers Squibb Company, CIGNA Corporation, Equifax Inc., United Therapeutics, Inc., Minnesota Mining and Manufacturing Company, BioSante Pharmaceuticals, Inc. and Endovascular Instruments, Inc.

LEE M. THOMAS, 58, our President since September 2002, has been one of our directors since May 2002. Prior to becoming our President, Mr. Thomas served in a number of management positions with Georgia-Pacific, including President-Building Products and Distribution from March 2002 until September 2002, Executive Vice President-Consumer Products from August 2000 until March 2002, Executive Vice President-Paper and Chemicals from December 1997 until August 2000, Executive Vice President-Paper from January 1997 until December 1997, Senior Vice President-Paper from February 1995 until December 1996, and Senior Vice President-Environmental, Government Affairs and Communications from February 1994 until January 1995 and Senior Vice President-Environmental and Government Affairs from March 1993 until January 1994.

Mr. Thomas is also a director of Airgas, Inc.



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**NOMINEES AND DIRECTORS**

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**CONTINUING DIRECTORS**

JAMES S. BALLOUN, 64, Chairman, Chief Executive Officer and President of Acuity Brands, Inc. (a manufacturer of lighting equipment and chemicals) since November 2001, has been one of our directors since 1998. His current term as director ends in 2005. Mr. Balloun served as Chairman, Chief Executive Officer and President of National Service Industries, Inc. (formerly, a diversified manufacturer and distributor of lighting equipment, chemicals, textiles and envelopes) from 1996 until October 2001 when it spun off Acuity Brands in a tax-free distribution to its shareholders. Mr. Balloun served as a director of McKinsey & Company, Inc. from 1976 until 1996.

Mr. Balloun is also a director of Acuity Brands, Inc., Radiant Systems, Inc. and Wachovia Corporation.

BARBARA L. BOWLES, 55, Chairman, Chief Executive Officer and Chief Investment Officer of The Kenwood Group, Inc. (an investment advisory firm) since 1989, has been one of our directors since 2000. Her current term as director ends in 2004. Ms. Bowles served as a director of Fort James Corporation from 1997 until the completion of our acquisition of Fort James in 2000.

Ms. Bowles is also a director of The Black & Decker Corporation, Wisconsin Energy Corporation, Wisconsin Electric Power Company, Wisconsin Gas Company, Hyde Park Bank of Chicago and Dollar General Corporation.

WORLEY H. CLARK, JR., 70, President of W.H. Clark Associates, Ltd. (a consulting firm) since 1994, has been one of our directors since 2000. His current term as director ends in 2005. Mr. Clark retired from Ondo Nalco Company (formerly, Nalco Chemical Company) in 1994, where he served as Chairman and Chief Executive Officer. Mr. Clark served as a director of Fort James Corporation from 1993 until the completion of our acquisition of Fort James in 2000.

Mr. Clark is also a director of Merrill Lynch & Co., Inc., Bethlehem Steel Corporation, Valero Energy Corp., Millennium Chemicals, Inc. and the Merchants Exchange and Exchange Cubed, LLC.

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ALSTON D. CORRELL, 61, our Chairman and Chief Executive Officer since December 1993 and May 1993, respectively, and President from July 1991 to September 2002, has been one of our directors since 1992. His current term as director ends in 2005.

Mr. Correll is also a director of Norfolk Southern Corporation, Mirant Corporation and SunTrust Banks, Inc.

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**NOMINEES AND DIRECTORS**

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DONALD V. FITES, 69, retired Chairman and Chief Executive Officer of Caterpillar Inc., a position he held from 1990 until February 1999, has been one of our directors since 1992. His current term as director ends in 2004.

Mr. Fites is also a director of AT&T Wireless Services, Inc., Exxon Mobil Corporation, AK Steel Corporation, Oshkosh Truck Corporation and Wolverine World Wide, Inc.

DAVID R. GOODE, 62, Chairman, President and Chief Executive Officer of Norfolk Southern Corporation since September 1992 and an executive officer of that company since 1985, has been one of our directors since 1992. His current term as director ends in 2004.

Mr. Goode is also a director of Norfolk Southern Corporation, Norfolk Southern Railway Company, Caterpillar Inc., Delta Air Lines, Inc. and Texas Instruments Incorporated.

JAMES B. WILLIAMS, 70, Chairman of the Executive Committee of SunTrust Banks, Inc. since March 1998, has been one of our directors since 1989. His current term as director ends in 2004. Mr. Williams held the positions of Chairman and Chief Executive Officer of SunTrust Banks, Inc. from April 1991 and April 1990, respectively, until March 1998.

Mr. Williams is also a director of SunTrust Banks, Inc., The Coca-Cola Company, Genuine Parts Company, Rollins, Inc., RPC Energy Services, Inc. and Marine Products Corporation.

JOHN D. ZEGLIS, 55, Chief Executive Officer and Chairman, AT&T Wireless Services since December 1999, has been one of our directors since 2001. His current term as director ends in 2005. Mr. Zeglis served as President of AT&T Corporation from December 1997 to July 2001, Vice Chairman from June 1997 to November 1997, General Counsel and Senior Executive Vice President from 1996 to 1997 and Senior Vice President and General Counsel from 1986 to 1996.

Mr. Zeglis is also a director of Helmerich and Payne Corporation.

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## **CORPORATE GOVERNANCE**

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**Q: How is Georgia-Pacific managed?**

**A:** We are managed by a core group of officers who are governed by a Board of Directors, the number of which is currently set at 13 members. Our Bylaws divide the Board into 3 classes of approximately equal size with each class being elected for three years.

**Q: Has the Board of Directors adopted corporate governance principles?**

**A:** Yes. For a number of years, our Board has had in place a set of Board Policies and Procedures, which address a number of corporate governance principles, including director independence, mandatory retirement, evaluation of the CEO, composition of the Board and succession planning. Our corporate governance principles are reviewed by the Executive and Governance Committee on a regular basis and any proposed additions or amendments to the principles are reviewed and approved by the Board.

The New York Stock Exchange (the NYSE) has proposed rules that would require listed companies like Georgia-Pacific to adopt governance guidelines covering certain matters. The Company has reviewed its corporate governance principles and, to the extent necessary, will amend them to ensure compliance when these rules are adopted in their final form.

In order to provide shareholders with greater knowledge regarding the Board's processes, the corporate governance principles adopted by the Board of Directors will be posted on our website at [www.gp.com](http://www.gp.com) in the near future.

**Q: Does the Board of Directors have a lead director?**

**A:** Yes. In November 2002, the Executive and Governance Committee approved and recommended to the Board for approval a presiding director (the Lead Director). The Lead Director, who shall be the Chairman of the Executive and Governance Committee, presides over any executive session of the non-management directors. The Lead Director also serves as a liaison between the non-management members of the Board and the Chairman, and discusses with the Chairman, to the extent appropriate, matters discussed by the non-management directors in executive session.

As Chairman of the Executive and Governance Committee, Sir Richard V. Giordano serves as our Lead Director.

**Q: Do non-management directors meet without management present?**

**A:** Yes. Our non-management directors meet in executive session without management present. During 2002, our non-management directors met 5 times and discussed such topics as management's performance, succession planning and the recommendations of the Compensation Committee regarding the Chief Executive Officer's compensation.

**Q: How many directors are independent?**

**A:** Of the Board's 13 members, 11 are independent. A director's independence is determined by the Board pursuant to our corporate governance principles, which define an independent director as one who is not an officer or former officer of Georgia-Pacific, or a relative of such officer, is not an officer of a significant customer or supplier to Georgia-Pacific, does not have a personal services contract with Georgia-Pacific, is not a significant advisor or consultant to Georgia-Pacific and is not affiliated with a tax-exempt entity that receives significant contributions from Georgia-Pacific. The Board has determined, after careful review, that each member of the Board is independent as defined.

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**CORPORATE GOVERNANCE**

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in our corporate governance principles, with the exception of Messrs. Correll and Thomas, who are employed by Georgia-Pacific.

**Q: Does the Board of Directors evaluate its own performance and effectiveness?**

**A:** Yes. The Board evaluates its performance and effectiveness through annual self-assessments. This process commences with each director completing a questionnaire with respect to the following topics:

- n Whether Board meetings foster open communication and timely resolution of issues presented.
- n The Board's expectations concerning director responsibilities and the productivity of Board and Committee meetings.
- n The appropriateness of the Company's long-term operating and financial strategies and its success in executing those plans.
- n Senior management's accessibility to provide the Board with important information about the Company.
- n The structure of the Board and its Committees, as well as the frequency of Board and Committee meetings.
- n The characteristics and expertise of the Board required to ensure its effectiveness.
- n The adequacy of existing accounting and financial controls, and the ethical conduct and legal compliance of the Company.
- n Compliance by the Board and senior management with the Board's corporate governance principles.
- n The succession plans for the Chief Executive Officer and senior management.
- n Whether the Company has met its obligations to its employees and to the communities in which it operates.

The collective ratings and comments of our directors are compiled and presented by the Chairman of the Executive and Governance Committee to the full Board for discussion, for the assessment of progress in the areas targeted for improvement a year earlier, and for the development of recommendations to enhance the Board's effectiveness over the next year.

**Q: What are non-employee directors paid each year?**

**A**