

WEYERHAEUSER CO  
Form DEF 14A  
March 10, 2006  
[Table of Contents](#)

## SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934**

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- |  |  |
|--|--|
| <input type="checkbox"/> Preliminary Proxy Statement                                   | <input type="checkbox"/> Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)) |
| <input checked="" type="checkbox"/> Definitive Proxy Statement                         |  |
| <input type="checkbox"/> Definitive Additional Materials                               |  |
| <input type="checkbox"/> Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12 |  |

## WEYERHAEUSER COMPANY

**(Name of Registrant as Specified In Its Charter)**

**(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)(4) 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.

“ 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:  

---

Notes:

Table of Contents

**NOTICE OF  
2006 ANNUAL MEETING  
OF SHAREHOLDERS  
AND PROXY STATEMENT**

**Table of Contents**

Dear Shareholder:

I am pleased to invite you to attend your company's annual meeting of shareholders at 9:00 a.m., Thursday, April 20, 2006, at the Corporate Headquarters Building, 33663 Weyerhaeuser Way South, Federal Way, Washington. A map and directions to the building are on the back cover.

A notice of the annual meeting and the proxy statement follow. Your vote is important. Whether or not you plan to attend the Annual Meeting in person, I urge you to vote your shares by phone, via the internet or by signing, dating and returning the enclosed proxy card promptly.

Sincerely,

Steven R. Rogel

Chairman, President and Chief Executive Officer

**Table of Contents**

**TABLE OF CONTENTS**

<u>Notice of the Annual Meeting of Shareholders</u>	1
<u>Proxy and Voting Information</u>	2
<u>Voting Information</u>	3
<u>Information About the Meeting</u>	3
<b><u>Item 1 Election of Directors</u></b>	4
<u>Nominees for Election</u>	4
<u>Continuing Directors</u>	5
<u>Board of Directors and Committee Information</u>	6
<u>Consideration of Director Nominees</u>	7
<u>Shareholder Communications</u>	8
<u>Annual Meeting Attendance</u>	9
<u>Directors Compensation</u>	9
<u>Beneficial Ownership of Common Shares</u>	10
<u>Directors and Executive Officers</u>	10
<u>Owners of More Than 5%</u>	11
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	11
<u>Committee Reports</u>	
<u>Compensation Committee Report</u>	12
<u>Audit Committee Report</u>	16
<u>Compensation Committee Interlocks and Insider Participation</u>	17
<u>Related Party Transactions</u>	17
<u>Code of Ethics</u>	17
<u>Performance Graph</u>	18
<u>Executive Compensation</u>	
<u>Summary Compensation</u>	19
<u>Option/SAR Grants in Last Fiscal Year</u>	21
<u>Aggregated Option/SAR Exercises</u>	22
<u>Pension Plans</u>	22
<u>Change in Control and Severance Agreements</u>	23
<u>Shareholder Proposals</u>	
<b><u>Item 2 Shareholder Proposal on Director Election By Majority</u></b>	25
<b><u>Item 3 Shareholder Proposal on Majority Vote</u></b>	27
<b><u>Item 4 Shareholder Proposal on Executive Compensation</u></b>	29
<b><u>Item 5 Shareholder Proposal on Forest Stewardship Council (FSC) Certification</u></b>	31
<b><u>Item 6 Shareholder Proposal on an Independent Chairman</u></b>	33
<b><u>Item 7 Approval on an Advisory Basis of the Appointment of Auditors</u></b>	35
<u>Shareholder Rights Plan Policy</u>	35
<u>Confidential Voting Policy</u>	36

Edgar Filing: WEYERHAEUSER CO - Form DEF 14A

<u>Relationships with Independent Registered Public Accounting Firm</u>	36
<u>Proxy Solicitation Expenses</u>	37
<u>Other Business</u>	37
<u>Future Shareholder Proposals and Nominations</u>	38

**Table of Contents**

**NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS**

**Meeting Date:** April 20, 2006  
**Meeting Time:** 9:00 a.m. PDT  
**Location:** Weyerhaeuser Company  
  
Corporate Headquarters Building  
  
33663 Weyerhaeuser Way South  
  
Federal Way, Washington 98003  
  
**Record Date:** February 24, 2006

**Agenda**

To elect three Directors;

To take action on the shareholder proposals;

To approve, on an advisory basis of the appointment of auditors;

To transact any other business that may be properly brought before the Annual Meeting.

**Admission**

All shareholders are invited to attend the Annual Meeting. You will need an admission ticket or proof of ownership of Weyerhaeuser common stock or Weyerhaeuser Company Limited exchangeable shares, as well as a form of personal photo identification, to be admitted to the Annual Meeting.

The Annual Meeting will be held at the Weyerhaeuser Company Corporate Headquarters Building in Federal Way, Washington. Seating will be limited and on a first come basis. Please refer to page 3 of this Proxy Statement for information about attending the meeting.

**Voting**

Shareholders owning Weyerhaeuser common stock or Weyerhaeuser Company Limited exchangeable shares on the Record Date, or their legal proxy holders, are entitled to vote at the Annual Meeting. For information on how to vote your shares, please refer to the instructions on the enclosed proxy card or voting instruction form, or review the section titled "Proxy and Voting Information" on pages 2 and 3 of this Proxy Statement.

Edgar Filing: WEYERHAEUSER CO - Form DEF 14A

This Proxy Statement, form of proxy and Weyerhaeuser Company 2005 Annual Report is being distributed to shareholders on or about March 14, 2006.

Claire S. Grace

Corporate Secretary

Federal Way, Washington



**Table of Contents**

**2006 PROXY STATEMENT**

**WEYERHAEUSER COMPANY**

P.O. Box 9777

Federal Way, Washington 98063-9777

(253) 924-2345

March 14, 2006

**PROXY AND VOTING INFORMATION**

Weyerhaeuser Company (the Company) will hold its annual meeting of shareholders at its Corporate Headquarters Building, Federal Way Washington on Thursday, April 20, 2006 at 9 a.m. to consider the items on the attached notice of shareholder meeting. All items on the attached notice are more fully described in this proxy statement.

The only securities eligible to vote at the annual meeting are the Company's common shares and a special share of voting stock issued in connection with the Company's 1999 acquisition of MacMillan Bloedel Limited.

A trustee, CIBC Mellon Trust Company, holds the special share of voting stock under a trust agreement. The trust agreement provides that each holder of exchangeable shares issued by Weyerhaeuser Company Limited, a Canadian subsidiary of the Company, is entitled to instruct the trustee how to vote at the Company's shareholder meeting. The trustee will cast votes equal to the number of outstanding exchangeable shares as to which the trustee has timely received voting instructions from the holders. If the trustee does not receive voting instructions from a holder of exchangeable shares, such holder's votes will not be cast at the shareholders meeting unless the shareholder attends the meeting in person, obtains a proxy from the trustee and votes the shares at the meeting as proxy for the trustee.

The holders of the Company's common shares and the trustee acting for the exchangeable shareholders will vote together as a single class on all matters. Proxy cards are enclosed for shareholders who hold common shares and voting instruction cards are enclosed for shareholders who hold exchangeable shares.

Only shareholders of record at the close of business on February 24, 2006, will be eligible to vote at the annual meeting. On that date, 244,092,748 common shares and 2,035,315 exchangeable shares entitled to give voting instructions were outstanding. Each common share and each exchangeable share not held by the Company or its affiliates entitles the holder to one vote at the annual meeting. The enclosed form of proxy is solicited by the Board of Directors of the Company. A proxy may be revoked by notice in writing to the Corporate Secretary at any time before it is voted. If not revoked, the proxy will be voted as directed by the shareholder.

## Edgar Filing: WEYERHAEUSER CO - Form DEF 14A

Under Washington law and the Company's Restated Articles of Incorporation, if a quorum is present at the meeting: (i) the three nominees for election as directors who receive the greatest number of votes will be elected directors and (ii) the shareholder proposals set forth in this proxy statement will be approved if the number of votes cast in favor of the matter exceeds the number of votes cast against it.

In the election of directors, any action other than a vote for a nominee will have the practical effect of voting against the nominee. In the vote on the shareholder proposals, if a shareholder or broker abstains from voting or fails to vote it will have no effect on the approval of the proposals because abstentions and broker non-votes do not represent votes cast by shareholders.

The Company's annual report to shareholders for 2005 is being mailed with this proxy statement to shareholders entitled to vote at the 2006 annual meeting.

## **Table of Contents**

### **VOTING INFORMATION**

You may vote your shares in one of several ways, depending upon how you own your shares.

Shareholders of record (you own shares in your own name) can vote by telephone, on the Internet or by mail as described below. Street name shareholders (you own shares in the name of a bank, broker or other holder of record) should refer to the proxy form or the information you receive from the record holder to see which voting methods are available to you.

Voting by Telephone. Call the toll-free number listed on the proxy card and follow the instructions. Have your proxy card in hand when you call.

Voting on the Internet. Go to [www.proxyvoting.com/wy](http://www.proxyvoting.com/wy) and follow the instructions. Have your proxy card in hand when you access the web site.

Voting by Mail. Complete, sign, date and return the enclosed proxy card or voting instruction card in the envelope provided.

Voting at the annual meeting. If you decide to attend and vote in person, you may deposit your proxy card in the ballot box at the registration desk at the Annual Meeting or you may complete a ballot that will be distributed at the Annual Meeting.

If you are a street name shareholder, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the Annual Meeting.

### **INFORMATION ABOUT THE MEETING**

Attendance at the Annual Meeting is limited to shareholders. The meeting will be held at Weyerhaeuser's Corporate Headquarters Building, 33663 Weyerhaeuser Way South, Federal Way, Washington. An admission ticket, which is required for entry into the Annual Meeting, is attached to your proxy card (or voting instruction card in the case of exchangeable shareholders) if you are a shareholder of record. If you plan to attend the annual meeting, please vote your proxy, but keep the admission ticket and bring it to the annual meeting along with photo identification.

If you are a street name shareholder and you plan to attend the annual meeting, you must present proof of your ownership of Weyerhaeuser common or exchangeable shares as of the record date. Acceptable proof would be an original, recent bank or brokerage account statement. You will also need to present photo identification to be admitted.

If you are a shareholder of record and arrive at the meeting without an admission ticket, we will admit you if we are able to verify that you are a shareholder of record and you have photo identification.

## Edgar Filing: WEYERHAEUSER CO - Form DEF 14A

If you are a street name shareholder and arrive at the meeting without proof of your ownership of common or exchangeable shares as of the record date, you will not be admitted to the meeting.

If you are a street name shareholder and intend to designate a proxy holder, the designee must present your original signed form of proxy; proof of your ownership of common shares as of the record date, such as a bank or brokerage statement and photo identification. If we cannot verify that you are a shareholder, your designee will not be admitted to the meeting.

Exchangeable shareholders must designate in advance of the meeting on the form of voting instruction card, anyone that they intend to represent them at the meeting. Your designee will need to present photo identification. If your designee arrives at the meeting and his or her name is not on the designee list, the person will not be admitted to the meeting.

## **Table of Contents**

If you are hearing impaired or require other special accommodations due to disability, please write to the Corporate Secretary prior to the meeting.

No banners, placards, signs, literature for distribution, cameras, recording equipment, electronic devices, including cell phones, large bags, briefcases or packages will be permitted in the annual meeting.

## **ITEM 1. ELECTION OF DIRECTORS**

The Restated Articles of Incorporation provide that the directors of the Company are classified into three classes, each class to be as nearly equal in number as possible. The classes relate to the director's term of office. At each annual meeting of shareholders the successors to the directors whose terms expire at that meeting are elected for terms expiring at the third annual meeting after their election by the shareholders. The Board of Directors is authorized to fix the number of directors within the range of 9 to 13 members, and has fixed the number at 11. The three persons identified below are nominated to be elected at the 2006 annual meeting for three-year terms expiring at the 2009 annual meeting. All of the nominees currently are directors of the Company elected by the shareholders.

Unless a shareholder instructs otherwise on the proxy card, it is intended that the shares represented by properly signed proxies in the accompanying form will be voted for the persons nominated by the Board of Directors. The Board of Directors anticipates that the listed nominees will be able to serve, but if at the time of the meeting any nominee is unable or unwilling to serve, the proxy holders may vote such shares at their discretion for a substitute nominee.

### **Nominees for Election Terms Expire in 2009**

*Richard F. Haskayne*, 71, a director of the Company since 2000, was the chairman of TransCanada Corporation (gas transmission and power generation) from 1998 to 2005 and was chairman of Fording Inc. (coal and industrial minerals) from 2001 to 2003. He was chairman of NOVA Corporation from 1991 to 1998 until the company merged with TransCanada Pipelines. He was chairman of the board of MacMillan Bloedel Limited from 1996 to 1999 and is also a director of Encana Corporation. He was chairman, president and chief executive officer of Interhome Energy Inc., the parent company of Interprovincial Pipe Line and Home Oil from 1986 to 1991. In 1997, he was appointed an officer of the Order of Canada. In addition, he is director emeritus of the Canadian Imperial Bank of Commerce and board of governors chair emeritus of the board of the University of Calgary (after serving as chair from 1990 to 1996). He received the Woodrow Wilson award for corporate citizenship in 2004.

*Rt. Hon. Donald F. Mazankowski*, 70, a director of the Company since 1997, is a business consultant. He was a Member of Parliament, Government of Canada, from 1968 to 1993, served as Deputy Prime Minister from 1986 to 1993 and as Minister of Finance from 1991 to 1993. He also is a director of the Power Group of Companies; Shaw Communications, Inc.; Great-West Lifeco Inc.; IGM Financial Inc.; Yellow Pages Group; Canadian Oil Sand Trust and Atco Ltd. He is Senior Advisor to Gowlings, LaFleur, Henderson LLP, Barristers and Solicitors. He is a past member of the board of governors of the University of Alberta and is past chairman of the Institute of Health Economics and is a Director of Canadian Genetic Diseases Network.

*Nicole W. Piasecki*, 43, a director of the Company since 2003, is executive vice president of Business Strategy & Marketing for Boeing Commercial Airplanes, The Boeing Company. She was vice president of Commercial Airplanes Sales, Leasing Companies from 2000 until January 2003; the Boeing Commercial Airplanes sales director for the Americas from 1997 to 2000; and served in

## Edgar Filing: WEYERHAEUSER CO - Form DEF 14A

various management positions in sales, marketing, and business strategy for the Commercial Aircraft Group from 1991 when she joined The Boeing Company as a customer engineer on the 777 airplane program until 1997. She is also a director of YWCA and is a fellow of the British American Project.

## **Table of Contents**

### **Continuing Directors Terms Expire in 2007**

*Steven R. Rogel*, 63, a director of the Company since 1997, has been chairman of the board since 1999. He has been the Company's president and chief executive officer since 1997. Prior to joining the Company, he served as the president and chief executive officer of Willamette Industries, Inc. from 1995 to 1997 and as its president and chief operating officer from 1991 to 1995. He is a director of the Kroger Company and Union Pacific Corporation, and serves on the National Executive Board Boy Scouts of America. He is the former Chairman of the American Forest & Paper Association, and the National Council for Air and Stream Improvement, Inc.

*Richard H. Sinkfield*, 63, a director of the Company since 1993, is a senior partner in the law firm of Rogers & Hardin in Atlanta, Georgia, and has been a partner in the firm since 1976. He was a director of United Auto Group, Inc. (automobile retailer) from 1993 to 1999 and its executive vice president and chief administrative officer from 1997 to 1999. He was a director of Central Parking Corporation from 2000 to February, 2005. He is a former director of the Metropolitan Atlanta Community Foundation, Inc. and the Atlanta College of Art. He is a trustee of Vanderbilt University, a member of the executive board of the Atlanta Area Council of the Boy Scouts of America and was a member of the board of governors of the State Bar of Georgia from 1990 to 1998.

*D. Michael Steuert*, 57, a director of the Company since October 2004, has been senior vice president and chief financial officer for Fluor Corporation (engineering and construction) since 2001. He served as senior vice president and chief financial officer at Litton Industries Inc. (defense electronics, ship construction and electronic technologies) from 1999 to 2001 and as a senior officer and chief financial officer of GenCorp Inc. (aerospace, propulsion systems, vehicle sealing systems, chemicals and real estate) from 1990 to 1999. Prior to joining GenCorp Inc., he held financial management positions at TRW Inc. (space and automotive). He serves as Trustee of Prologis (NYSE: PLD), and is a member of the National Financial Executives Institute, and is past president of the Board of Trustees of the Mental Health Association of Summit County, Ohio.

*James N. Sullivan*, 68, a director of the Company since 1998, is the retired vice chairman of the board of Chevron Texaco Corporation (international oil company) where he was a director from 1988 to 2000. He joined Chevron Texaco in 1961, was elected a vice president in 1983 and served as its vice chairman from 1989 to 2000.

### **Continuing Directors Terms Expire in 2008**

*Martha R. Ingram*, 70, a director of the Company since 1995, has been chairman of Ingram Industries, Inc. (book distribution, and inland barging), since 1995 and a member of its board since 1981. She was its director of public affairs from 1979 to 1995. She is also a director of Ingram Micro, Inc. and AmSouth Bancorporation. In addition, she serves on the board of Vassar College, and is chairman of the Board of Trust of Vanderbilt University. She also serves as chairman of the board of the Nashville Symphony Association, is on the Board of the Nashville Opera, the Nashville Ballet and the Tennessee Repertory Theatre and is former chairman of the board of the Tennessee Performing Arts Center. Mrs. Ingram was also chairman of the 1996 Tennessee Bicentennial Commission.

*John I. Kieckhefer*, 61, a director of the Company since 1990, has been president of Kieckhefer Associates, Inc. (investment and trust management) since 1989, and was senior vice president prior to that time. He has been engaged in commercial cattle operations since 1967 and is a trustee of J.W. Kieckhefer Foundation, an Arizona charitable trust.

*Arnold G. Langbo*, 68, a director of the Company since 1999, was chairman of Kellogg Company (cereal products) from 1992 until his retirement in 2000. He joined Kellogg Canada Inc. in 1956 and was elected president, chief operating officer and a director of

## Edgar Filing: WEYERHAEUSER CO - Form DEF 14A

Kellogg Company in 1990. He served as chief executive officer of Kellogg Company from 1992 to 1999. He is also a director of Johnson & Johnson and Whirlpool Corporation.



**Table of Contents**

*Charles R. Williamson*, 57, a director of the company since October 2004, was the executive vice president of Chevron Texaco Corporation (international oil company) from August, 2005 until his retirement on December 1, 2005. He was chairman and chief executive officer of Unocal Corporation (oil and natural gas) until its acquisition by Chevron Texaco Corporation in 2005. He served as Unocal Corporation's executive vice president, International Energy Operations from 1999 to 2000; group vice president, Asia Operations from 1998 to 1999; group vice president, International Operations from 1996 to 1997; and held numerous management jobs including positions in the United Kingdom, Thailand and the Netherlands since joining Unocal in 1977. He was a director of Unocal Corporation and former Chairman of the US-ASEAN Business Council.

**BOARD OF DIRECTORS AND COMMITTEE INFORMATION**

The Board of Directors of the Company, with the exception of the Company's chief executive officer, is composed entirely of independent directors within the meaning of the listing requirements established by the New York Stock Exchange. The independent directors of the Board of Directors regularly meet in separate executive session without any member of Company management present. The Lead Director, who under the Board's Corporate Governance Guidelines is the Chair of the Executive Committee, presides over these meetings.

The Board of Directors has documented the governance practices followed by the Company by adopting Corporate Governance Guidelines. The Corporate Governance Guidelines set forth the practices the Board of Directors will follow with respect to Board function and operation, company operations, Board organization and composition and Board conduct. The Governance Guidelines may be viewed at <http://www.weyerhaeuser.com>.

The Board of Directors has a number of committees that perform certain functions for the Board. Current committees of the Board of Directors include the Executive Committee, Audit Committee, Compensation Committee, Corporate Governance Committee, Finance Committee and International Committee.

The Board of Directors met on six occasions in 2005. Each of the directors attended at least 75% of the total meetings of the Board and the committees on which he or she served in 2005 except Mrs. Ingram who attended 60% of the Board and committee meetings on which she served. The following table provides membership and meeting information for each of the Board committees:

Name	Audit Committee	Compensation Committee	Executive Committee	Corporate Governance Committee	Finance Committee	International Committee
Richard F. Haskayne			X	X	X*	
Martha R. Ingram	X		X*			
John I. Kieckhefer		X				X
Arnold G. Langbo		X			X	
Donald F. Mazankowski	X					X
Nicole W. Piasecki				X		X
Steven R. Rogel			X			
Richard H. Sinkfield				X*	X	
D. Michael Steuert	X*			X		
James N. Sullivan		X*		X		
Charles R. Williamson		X			X	
	4	6	0	4	3	2

Total meetings in fiscal year  
2005

\* *Committee Chairman*

6

## **Table of Contents**

Below is a description of each committee of the Board of Directors. Each committee of the Board has adopted a charter and the current charter for each committee may be viewed at <http://www.weyerhaeuser.com>.

The Executive Committee has the powers and authority of the Board of Directors in the interval between Board of Directors meetings, except to the extent limited by law. The chairman of the Executive Committee is an independent director and is also the lead director for the Board of Directors. The Executive Committee did not meet in 2005, but acted by consent in lieu of meeting on two occasions during the year.

The Audit Committee, through regular or special meetings with management, the director of internal audit and the Company's Independent Auditor, provides oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Company, including the Company's compliance with legal and regulatory requirements, and such other duties as the Board or the Committee chairperson deems appropriate. The Board of Directors has determined that each member of the Audit Committee is independent within the meaning of the listing requirements of the New York Stock Exchange.

The Compensation Committee has responsibility for reviewing and approving the strategy and design of the Company's compensation and benefits systems, making recommendations to the Board of Directors with respect to incentive compensation and equity-based plans, reviewing the compensation of the Company's directors and chief executive officer; reviewing and approving salaries and incentive compensation of Company officers and certain other positions; and administering the Company's stock option and incentive compensation plans. The Board of Directors has determined that each member of the Compensation Committee is independent within the meaning of the listing requirements of the New York Stock Exchange.

The Corporate Governance Committee takes a leadership role in shaping the governance of the corporation and provides oversight and direction regarding the functioning and operation of the Board, including reviewing and recommending to the Board candidates for election as Directors. The Committee manages the processes used by the Board to evaluate the Chief Executive Officer and provides oversight on senior management succession planning, ethics and business conduct of the Company, human resources practices, and environmental and safety issues at the Company. The Board of Directors has determined that each member of the Corporate Governance Committee is independent within the meaning of the listing requirements of the New York Stock Exchange.

The Finance Committee monitors and oversees the Company's financial resources and strategies, with emphasis on those issues that are long-term in nature. The Committee provides guidance to the Board regarding major financial policies of the Company, oversees financial matters of importance to the Company, reviews with management the Company's major financial risk exposure; and reviews and approves credit policies, cash management and pension fund investment strategies. The Committee also makes recommendations to the Board regarding operating plans, debt and equity programs and appropriate actions related to significant mergers, acquisitions, asset sales or purchases and other significant business opportunities. The Board of Directors has determined that each member of the Finance Committee is independent within the meaning of the listing requirements of the New York Stock Exchange.

The International Committee of the Board advises the Company on relevant, critical policy issues, as well as investment and other commercial opportunities, outside the United States and provides oversight and direction on the economic, political and social trends in countries where the Company has international operations.

## **CONSIDERATION OF DIRECTOR NOMINEES**

**Director Qualifications.** The Board codified standards for Directors in the Board's Corporate Governance Guidelines. The Guidelines provide that the Board should encompass a range of talent, skill and expertise sufficient to provide sound and prudent guidance with respect to the Company's operations and interests,

## **Table of Contents**

and that at all times a majority of the Board must be independent directors as defined from time to time by the listing requirements of the New York Stock Exchange and any specific requirements established by the Board. Each Director is expected to exhibit high standards of integrity, commitment and independence of thought and judgment; to use his or her skills and experiences to provide independent oversight to the business of the Company; and to represent the long-term interests of all the shareholders. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively. Directors must be committed to devoting the time and effort necessary to learn the business of the Company and the Board.

As part of its periodic self-assessment process, the Board of Directors has determined that the Board as a whole must have the right diversity, mix of characteristics and skills for the optimal functioning of the Board in its oversight of the Company and that the Board should be comprised of persons with skills in areas such as finance; sales and markets; strategic planning; human resources and diversity; safety; industry business; leadership of large, complex organizations; legal; banking; government and governmental relationships; international business and international cultures; and information technology.

In addition to the targeted skill areas, the Corporate Governance Committee has identified key knowledge areas it believes are critical for directors to add value to a Board, including Strategy: knowledge of the Company business model, the formulation of corporate strategies, knowledge of key competitors and global markets; Leadership: skills in coaching senior executives and the ability to assist the CEO in his development; Organizational Issues: understanding of the implementation of strategies, change management processes, group effectiveness and organizational design; Relationships: understanding how to interact with governments, investors, financial analysts, and communities in which the Company operates; Functional: understanding of finance matters, financial statements and auditing procedures, technical expertise, legal issues, information technology and marketing; and Ethics: the ability to identify and raise key ethical issues concerning the activities of the Company and senior management as they affect the business community and society.

**Identifying and Evaluating Nominees for Directors.** The Corporate Governance Committee uses a variety of methods for identifying and evaluating nominees for Director. The Corporate Governance Committee regularly assesses the mix of skills and industries currently represented on the Board, whether any vacancies on the Board are expected due to retirement or otherwise, the skills represented by retiring directors, and additional skills highlighted during the Board self-assessment process that could improve the overall quality and ability of the Board to carry out its function. In the event vacancies are anticipated, or otherwise arise, the Corporate Governance Committee considers various potential candidates for director. Candidates may come to the attention of the Corporate Governance Committee through current Board members, professional search firms, shareholders or other persons. The Corporate Governance Committee or a subcommittee thereof may interview potential candidates to further assess their ability to serve as a director, as well as the qualifications possessed by the candidates. The Corporate Governance Committee then determines the best qualified candidates based on the established criteria and recommends such candidates to the Board for election at the next meeting of shareholders.

**Shareholder Nominees.** The Corporate Governance Committee will consider nominees for the Board of Directors recommended by shareholders. If a shareholder wishes to recommend a nominee, he or she should write to the Corporate Secretary of the Company specifying the name of the nominee and the nominee's qualifications for membership on the Board of Directors. All such recommendations will be brought to the attention of the Corporate Governance Committee.

## **SHAREHOLDER COMMUNICATIONS**

Communications may be addressed to the Corporate Secretary of the Company, marked to the attention of the Board or any of its Committees, the independent Directors or individual Directors.



**Table of Contents**

**ANNUAL MEETING ATTENDANCE**

The Directors are encouraged and expected to attend the Company's annual meetings if possible. Eleven Directors attended the 2005 Annual Meeting.

**DIRECTORS' COMPENSATION**

As of April, 2006, each non-employee director receives for service as a director an annual fee of \$140,000. The chairmen of each of the committees receive an additional annual fee of \$10,000. Directors also are reimbursed for travel expenses in connection with meetings. Compensation is available for extended travel on Board business at the request of the Board or a Committee of the Board at the rate of \$2,000 per day, including travel days and work days.

The Board of Directors has designated that \$70,000 of the \$140,000 annual fee paid to non-employee directors automatically will be placed into a common share equivalents account under the Fee Deferral Plan for Directors. The value of the common share equivalents account is measured from time to time by the value of the Company's common shares and is payable to a director in cash at a time selected in advance by the director, which must be on or after the director's termination of service as a director. The share equivalents account is credited on each dividend payment date for common shares with the number of share equivalents that are equal in value to the amount of the quarterly dividend on common shares. The Fee Deferral Plan for Directors provides that non-employee directors may defer receipt of all or a portion of the remaining fees for services as a director and elect between interest bearing and common share equivalent accounts as the investment vehicle for the deferred fees. The Fee Deferral Plan for Directors is administered by the Compensation Committee.

**Table of Contents****BENEFICIAL OWNERSHIP OF COMMON SHARES****Directors and Executive Officers**

The following table shows as of January 20, 2006 the numbers of common and exchangeable shares of the Company that each director, each named executive officer and the directors and executive officers as a group, have the power to vote or cause disposition of the shares. On all matters submitted for shareholder vote, the common shares vote together with the special voting stock held by the trustee. Under the trust agreement, the trustee is entitled to cast a number of votes equal to the number of outstanding exchangeable shares not owned by the Company or its affiliates and as to which the trustee has timely received voting instructions from the exchangeable shareholders. Accordingly, percentages of total beneficial ownership have been calculated based upon the total number of common shares and non-affiliated exchangeable shares outstanding as of December 25, 2005.

Name of Individual or Identity of Group	Voting and or Dispositive Powers (number of common and exchangeable shares) (1)(2)(3)	Percent of Class (common and exchangeable shares)	Common
			Share Equivalents (4)
Marvin D. Cooper	131,494	*	1,359
William R. Corbin	179,236	*	
Daniel S. Fulton	105,670	*	23,369
Richard F. Haskayne	3,000	*	10,726
Richard E. Hanson	168,250	*	17,611
Martha R. Ingram	261,046	*	5,861
John I. Kieckhefer	4,461,798	1.8	22,149
Arnold G. Langbo	200	*	6,158
Donald F. Mazankowski	800	*	13,928
Nicole W. Piasecki	466,182	*	3,403
Steven R. Rogel	918,374	*	75,970
Richard H. Sinkfield	500	*	8,576
D. Michael Steuert		*	1,341
James N. Sullivan	1,000	*	13,367
Charles R. Williamson		*	2,681
Directors and executive officers as a group (28 individuals)	8,533,427	3.5	258,804

\* Denotes amount is less than 1%

(1) Includes the number of shares that could be acquired within 60 days after January 20, 2006 pursuant to outstanding stock options, as follows: Mr. Cooper, 130,688 common shares; Mr. Corbin, 177,990 common shares; Mr. Fulton, 105,300 common shares; Mr. Hanson, 161,900 common shares; Mr. Rogel, 915,000 common shares, and of the executive officers as a group 2,240,642 common shares.

(2) Includes shares for which certain of the directors and nominees share voting and dispositive powers with one or more other persons as follows: Mr. Kieckhefer, 3,630,527 shares; Ms. Piasecki, 442,330 shares and of the executive officers as a group 1,016,606.

(3) Beneficial ownership of some of the common shares is disclaimed by certain of the individuals listed as follows: Mr. Kieckhefer, 3,970,969 shares; Ms. Piasecki, 447,239 shares and of the executive officers as a group 968,069 shares.



Edgar Filing: WEYERHAEUSER CO - Form DEF 14A

(4) *Common share equivalents held as of December 25, 2005 under the Fee Deferral Plan for Directors or under the Incentive Compensation Plan for Executive Officers.*

10

**Table of Contents****Owners of More Than 5%**

The following table sets forth the number of common shares held by persons known to the Company to beneficially own more than five percent of common shares.

<b>Name and Address of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Percent of Class (common shares)</b>
Capital Research and Management Company (1) 333 South Hope Street Los Angeles CA 90071	36,940,500	15.2
Wellington Management Company, LLP (2) 75 State Street Boston MA 02109	15,686,330	6.45
Franklin Mutual Advisors, LLC (3) 51 John F. Kennedy Parkway  Short Hills NJ 07078	16,964,198	7.1

(1) Based on a Schedule 13G dated February 6, 2006, in which Capital Research and Management Company reported that, as of December 31, 2005, it had voting power over 3,882,500 of the shares and sole dispositive power over all 36,940,500 shares. Capital Research and Management Company disclaims beneficial ownership of all of the shares.

(2) Based on a Schedule 13G dated February 14, 2006 in which Wellington Management Company, LLP reported that, as of December 31, 2005, it had sole voting and dispositive powers over none of the shares; shared voting power over 7,108,538 shares and shared dispositive power over all 15,686,330 shares.

(3) Based on a Schedule 13D dated April 29, 2005 in which Franklin Mutual Advisors, LLC reported that, as of April 19, 2005, it had sole voting and dispositive powers over all 16,964,198 shares.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and certain of its officers to send reports of their ownership of Weyerhaeuser stock and of changes in such ownership to the Securities and Exchange Commission (the SEC) and the New York Stock Exchange. Based solely on the Company's review of the copies of such reports it has received, the Company believes that all of its directors and officers filed all such reports on a timely basis with respect to transactions during 2005 except as follows:

William R. Corbin failed to timely file a report on Form 4 reporting the disposition of common share equivalents.

**Table of Contents**

**COMPENSATION COMMITTEE REPORT ON EXECUTIVE MANAGEMENT COMPENSATION**

The Compensation Committee of the Board of Directors is composed entirely of directors who are not employees of the Company and who are independent within the meaning of the listing requirements of the New York Stock Exchange.

It is the Committee's responsibility to review and approve the strategy and design of the Company's compensation, equity-based and benefits programs for all the Company's executive officers, including the chief executive officer. The Committee also reviews and approves base salary increases, incentive payments and stock option grants for executive officers; and reviews and approves corporate goals and objectives relevant to compensation for the chief executive officer, evaluates his compensation in light of those goals and objectives, and makes recommendations to the Board for the chief executive officer's compensation based on this e