

BlueLinx Holdings Inc.  
Form PRE 14A  
April 03, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**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

**BLUELINX HOLDINGS INC.**

(Name of Registrant as Specified In Its Charter)

N/A

(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:

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- 4) Proposed maximum aggregate value of transaction:
  
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  - 1) Amount Previously Paid:
  
  
  - 2) Form, Schedule or Registration Statement No.:
  
  
  - 3) Filing Party:
  
  
  - 4) Date Filed:



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**BlueLinx Holdings Inc.**

**4300 Wildwood Parkway**

**Atlanta, Georgia 30339**

April 16, 2012

Dear Stockholder:

I am pleased to invite you to the 2012 Annual Meeting of Stockholders of BlueLinx Holdings Inc. The meeting will be held at our headquarters at 4300 Wildwood Parkway, Atlanta, Georgia 30339 on Thursday, May 17, 2012 at 1:00 p.m. Eastern Daylight Savings Time. The matters to be voted upon at the meeting are listed in the accompanying notice of the Annual Meeting, and are described in more detail in the accompanying proxy statement and proxy card. Whether or not you plan to attend the Annual Meeting, please complete, date, sign and mail promptly the enclosed proxy card in the envelope provided to ensure that your vote will be counted. If you attend the meeting, you will, of course, have the right to revoke the proxy and vote your shares in person.

On behalf of the Board of Directors, management and employees of BlueLinx, I extend our appreciation for your continued support and look forward to meeting with you.

Very truly yours,

George R. Judd

*President and Chief Executive Officer*

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**BLUELINX HOLDINGS INC.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

To Our Stockholders:

NOTICE IS HEREBY GIVEN that the 2012 Annual Meeting of Stockholders of BlueLinx Holdings Inc. will be held at our headquarters at 4300 Wildwood Parkway, Atlanta, Georgia 30339 on Thursday, May 17, 2012, at 1:00 p.m. Eastern Daylight Saving Time, for the following purposes:

1. to elect eight directors to hold office until the 2013 annual meeting of stockholders or until their successors are duly elected and qualified;
2. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012;
3. to approve an amendment to the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan (as amended and restated effective May 21, 2008), to increase the number of shares of common stock available for grant thereunder from 5,200,000 shares to 12,200,000 shares;
4. to approve an amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 100,000,000 to 200,000,000;
5. to hold an advisory, non-binding vote to approve the executive compensation described in this Proxy Statement;
6. to transact such other business as may properly come before the meeting and any adjournment or postponement thereof.

Stockholders of record at the close of business on April 2, 2012, will be entitled to notice of and to vote at the meeting or any postponements or adjournments of the meeting.

The Board of Directors recommends voting **FOR** its nominees for director and **FOR** proposals 2 through 5.

Whether or not you expect to be present in person at the meeting, please sign and date the accompanying proxy and return it promptly in the enclosed postage-paid reply envelope. This will assist us in preparing for the meeting.

By Order of the Board of Directors,

Sara E. Epstein

*Secretary*

April 16, 2012

Atlanta, Georgia

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**IMPORTANT NOTICE REGARDING AVAILABILITY  
OF PROXY MATERIALS FOR THE 2012 ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON THURSDAY, MAY 17, 2012**

BlueLinx Holdings Inc. is providing access to its proxy materials both by sending you this full set of proxy materials and by notifying you of the availability of its proxy materials on the Internet.

You may access the following proxy materials as of the date they are first mailed to our stockholders by visiting <https://materials.proxyvote.com/09624H>:

Notice of 2012 Annual Meeting of Stockholders to be held on Thursday, May 17, 2012;

Proxy Statement for 2012 Annual Meeting of Stockholders to be held on Thursday, May 17, 2012; and

Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

These proxy materials are available free of charge and will remain available through the conclusion of the Annual Meeting. In accordance with SEC rules, the proxy materials on the site are searchable, readable and printable and the site does not have cookies or other tracking devices which identify visitors.

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The enclosed proxy is being solicited by the Board of Directors of BlueLinx Holdings Inc. ( BlueLinx, us, we, our, or the Company ) for the 2012 Annual Meeting of Stockholders or any postponement or adjournment of the meeting, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders.

Copies of this proxy statement, the form of proxy and the annual report will first be mailed to stockholders on or about April 16, 2012. The proxy statement and annual report are also available on the investor relations page of our website at [www.bluelinxco.com](http://www.bluelinxco.com).

**Attending the Annual Meeting**

The Annual Meeting will be held at our headquarters at 4300 Wildwood Parkway, Atlanta, Georgia 30339 on Thursday, May 17, 2012 at 1:00 p.m. Eastern Daylight Saving Time. For directions to the meeting please contact our investor relations department at 770-953-7000. Holders of our common stock as of the close of business on April 2, 2012 will be entitled to attend and vote at the meeting.

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**BLUELINX HOLDINGS INC.**

**4300 Wildwood Parkway**

**Atlanta, Georgia 30339**

**770-953-7000**

**GENERAL INFORMATION**

*Why did I receive this proxy statement?*

This proxy statement is furnished in connection with the solicitation of proxies on behalf of our Board of Directors (the Board) to be voted at the annual meeting of our stockholders to be held on May 17, 2012, and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The meeting will be held at our headquarters, 4300 Wildwood Parkway, Atlanta, Georgia 30339, on Thursday, May 17, 2012 at 1:00 p.m. Eastern Daylight Saving Time. This proxy statement and accompanying proxy card are being first sent or given to our stockholders on or about April 16, 2012. Our Annual Report on Form 10-K for the year ended December 31, 2011, accompanies this proxy statement.

*Who is soliciting my vote?*

Our Board is soliciting your vote at the 2012 Annual Meeting of BlueLinx Stockholders.

*Who is entitled to vote?*

Only our stockholders of record at the close of business on April 2, 2012, the Record Date, are entitled to receive notice of the meeting, attend the meeting and to vote the shares of our common stock that they held on that date at the meeting, or any adjournment thereof. Each outstanding share that you own as of the Record Date entitles you to cast one vote on each matter to be voted upon.

*Who can attend the meeting?*

All stockholders of record as of the close of business on the Record Date, or their duly appointed proxies, may attend the meeting. Each stockholder may be asked to present valid picture identification, such as a driver's license or passport.

Please note that if you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the Record Date. If you are a stockholder of record, your name will appear on our stockholder list.

*What will I vote on?*

Five items:

the election of eight directors to our Board;

the ratification of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012;



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the approval of an amendment to the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan, as previously amended and restated (the Plan or the 2006 LTIP );

the approval of an amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation; and

an advisory, non-binding vote to approve the executive compensation described in this Proxy Statement.

*Will there be any other items of business on the agenda?*

We do not expect any other items of business at the meeting. Nonetheless, if there is an unforeseen matter raised, your proxy will give discretionary authority to the persons named on the proxy to vote on any other matters that may be brought before the meeting. These persons will use their best judgment in voting your proxy.

*How many votes must be present to conduct business at the meeting?*

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of our common stock outstanding on the Record Date will constitute a quorum, permitting business to be conducted at the meeting. As of the Record Date, we had 63,702,287 shares of common stock outstanding.

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Proxies received but marked as abstentions or broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

### *How do I vote?*

If you complete and properly sign the accompanying proxy card and return it to us, it will be voted as you direct. If you are a registered stockholder and attend the meeting, you may deliver your completed proxy card in person. Street name stockholders who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their shares.

### *Can I change my vote after I return my proxy card?*

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised by filing either a notice of revocation or a duly executed proxy bearing a later date with our secretary, at our principal executive offices, BlueLinx Holdings Inc., attn: Corporate Secretary, 4300 Wildwood Parkway, Atlanta, Georgia 30339. The powers of the proxy holder(s) will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

### *What are the recommendations of our Board of Directors?*

Our Board recommends a vote **FOR** the election of the nominated slate of directors, **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012, **FOR** the amendment to the 2006 LTIP, **FOR** the amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation and **FOR** the approval, on an advisory basis, of the executive compensation described in this Proxy Statement.

### *What vote is required to approve each item?*

*Election of Directors.* A nominee will be elected as a director if he receives a plurality of the votes cast at the meeting. Plurality means that the nominees receiving the largest number of votes cast are elected as directors up to the maximum number of directors to be chosen at the meeting. In other words, the eight director nominees receiving the most votes will be elected. Broker non-votes or marking your proxy card to withhold authority for all or some nominees will have no effect on the election of directors.

*Ratification of Independent Registered Public Accounting Firm.* The affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote is required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012. As a result, abstentions will have the effect of a vote against the proposal; however, broker non-votes will have no effect on this proposal. If our stockholders fail to ratify the selection, the Audit Committee may, but is not required to, reconsider whether to retain that firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent auditing firm at any time during the fiscal year if it determines that such a change would be in our best interests and that of our stockholders.

*Approval of an amendment to the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan (as amended and restated effective May 21, 2008) to increase the number of shares available for grant thereunder.* Under the rules of the New York Stock Exchange (the NYSE), the affirmative vote of the holders of a majority of the votes cast is required for approval of the amendment to the 2006 LTIP, provided, however, that the total votes cast represents over 50% of all shares entitled to vote on this proposal. As a result, so long as more than 50% of our outstanding shares cast votes with respect to this proposal, abstentions and broker non-votes will have no effect on this proposal.

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*Approval of an amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock.* Under Delaware law, the affirmative vote of a majority of the shares outstanding and entitled to vote is required to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock. As a result, abstentions and broker non-votes will have the effect of a vote against the proposal.

*Approval on a non-binding, advisory basis of the compensation of the Company's Named Executive Officers.* Adoption of a resolution approving, on a non-binding, advisory basis the compensation of the Company's Named Executive Officers, as disclosed in the Compensation Discussion and Analysis, compensation tables and narrative discussion of this proxy statement, requires the affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote. As a result, abstentions will have the effect of a vote against the proposal; however, broker non-votes will have no effect on this proposal.

*What if I don't vote for some or all of the matters listed on my proxy card?*

If you are a registered stockholder and you return a signed proxy card without indicating your vote for some or all of the matters, your shares will be voted as follows for any matter you did not indicate a vote on:

**FOR** the director nominees to the Board listed on the proxy card;

**FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012;

**FOR** the amendment to the 2006 LTIP;

**FOR** the amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation; and

**FOR** the approval, on an advisory, non-binding basis, of the executive compensation described in this Proxy Statement.

*How will proxies be solicited?*

Proxies will be solicited by mail. Proxies may also be solicited by our officers and regular employees personally or by telephone or facsimile, but such persons will not be specifically compensated for such services. Banks, brokers, nominees and other custodians and fiduciaries will be reimbursed for their reasonable out-of-pocket expenses in forwarding soliciting material to their principals, the beneficial owners of our common stock. We will pay the expense of preparing, assembling, printing, mailing and soliciting proxies.

*Is there electronic access to the proxy materials and annual report?*

Yes. The materials will be available, as of the date they were first mailed to our stockholders, by visiting <https://materials.proxyvote.com/09624H>. In addition, this proxy statement and our Annual Report on Form 10-K are available on our website at [www.bluelinxco.com](http://www.bluelinxco.com).

*Who are our largest stockholders?*

As of the Record Date, Cerberus ABP Investor LLC, an affiliate of Cerberus Capital Management, L.P., or Cerberus, owned 33,651,979 shares of our common stock, representing approximately 52.83% of the then outstanding shares of common stock of BlueLinx. As of the Record Date, we believe Stadium Capital Management, LLC exercises shared voting and investment authority over 4,977,133 shares of our stock in conjunction with Alexander H. Seaver and Bradley R. Kent, and Stadium Capital Partners, L.P. (with respect to 4,434,149 of these shares of our stock), representing approximately 7.81% of the then outstanding shares of common stock of BlueLinx.



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**ITEMS OF BUSINESS TO BE ACTED ON AT THE MEETING**

**PROPOSAL 1:**

**ELECTION OF DIRECTORS**

Our Board consists of eight members. Each of our current directors has been nominated for reelection and has consented to stand for reelection.

The terms of all of the members of our Board will expire at the next annual meeting after their election, or until their successors, if any, are elected and appointed. If you do not wish your shares of common stock to be voted for particular nominees, you may so indicate on the enclosed proxy card. If, for any reason, any of the nominees become unavailable for election, the individuals named in the enclosed proxy card may exercise their discretion to vote for any substitutes proposed by the Board. At this time, the Board knows of no reason why any nominee might be unavailable to serve.

**Our Board unanimously recommends a vote FOR each of the following nominees:**

Howard S. Cohen

Charles H. McElrea

Richard S. Grant

Alan H. Schumacher

George R. Judd

Robert G. Warden

Steven F. Mayer

M. Richard Warner

Biographical and other information about these nominees can be found under Identification of Executive Officers and Directors elsewhere in this proxy statement.

**PROPOSAL 2:**

**RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of our Board of Directors has selected Ernst & Young LLP to serve as our independent registered public accounting firm for fiscal year 2012. Ernst & Young LLP has served as our independent registered public accounting firm since our inception. While stockholder ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm is not required by our bylaws or otherwise, our Board is submitting the selection of Ernst & Young LLP to our stockholders for ratification. If our stockholders fail to ratify the selection, the Audit Committee may, but is not required to, reconsider whether to retain that firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent auditing firm at any time during the fiscal year if it determines that such a change would be in our best interests and that of our stockholders.

Ernst & Young LLP has advised us that it has no direct, nor any material indirect, financial interest in us or any of our subsidiaries. We expect that representatives of Ernst & Young LLP will be present at the meeting to make any statement they may desire and to respond to appropriate questions from our stockholders.

**Table of Contents****Fees Paid To Independent Registered Public Accounting Firm**

The following table presents the aggregate fees billed by Ernst & Young LLP for professional services for fiscal years 2011 and 2010, by category as described in the notes to the table:

	2011	2010
Audit Fees(1)	\$ 1,614,758	\$ 1,758,859
Audit-Related Fees(2)	159,000	166,911
Tax Fees		
All Other Fees(3)	1,995	6,353
<b>TOTAL</b>	<b>\$ 1,775,753</b>	<b>\$ 1,932,123</b>

- (1) Consists of fees related to audits of our consolidated financial statements, reviews of interim financial statements and disclosures in filings with the Securities and Exchange Commission ( SEC ). Audit fees also included fees related to the audit of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002.
- (2) Consists of fees billed for services related to benefit plan audits.
- (3) Consists of fees billed for services related to certain transactional services and certain research related products.

**Pre-Approval of Audit and Non-Audit Services**

The charter of the Audit Committee provides that the Audit Committee is responsible for the pre-approval of all material audit services and non-audit services to be performed for us by our independent registered public accounting firm. All audit and non-audit work described above was pre-approved by the Audit Committee. The Audit Committee may delegate to one or more of its members the authority to grant such pre-approvals. The decisions of any such member shall be presented to the full Audit Committee at each of its scheduled meetings.

**Our Board recommends a vote FOR the ratification of Ernst & Young LLP as our  
independent registered public accounting firm for fiscal year 2012.**

**PROPOSAL 3:****APPROVAL OF AN AMENDMENT TO THE****BLUELINX HOLDINGS INC. 2006 LONG-TERM EQUITY INCENTIVE PLAN****General**

The Board has approved and is seeking stockholder approval of an amendment to the 2006 LTIP, as previously amended and restated. The amendment would increase the maximum number of shares of common stock we may issue under the Plan by 7,000,000 shares from 5,200,000 shares to 12,200,000 shares. The Board is seeking stockholder approval of this amendment in order to assure that the Company can continue to grant equity awards at levels determined appropriate by the Board.

At the 2011 Annual Meeting, stockholders also approved an amendment to the 2006 LTIP to increase by 2,000,000 shares the maximum number of shares issuable under the 2006 LTIP. However, as a result of the decline in our stock price over the course of 2011, in order to achieve the proposed dollar value intended for equity awards granted in 2011 and January 2012 the number of shares subject to such equity awards had to be significantly increased. Further, as part of our efforts to preserve cash, for 2012 our directors agreed to receive shares of restricted stock in lieu

of the payment of cash director fees. As a result, the number of shares subject to

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equity awards granted since the amendment was approved at the 2011 Annual Meeting has been significantly higher than was expected at that time. As a result, we are asking stockholders to approve this amendment to further increase the shares issuable under the Plan to continue to provide us with the flexibility of utilizing equity awards as part of our compensation programs in amounts that the Compensation Committee believes are appropriate.

A summary description of the Plan, as amended by this Proposal 3, is set forth below. This summary description is not intended to be complete and is qualified in its entirety by reference to the amended Plan set forth in Appendix A to this proxy statement.

### **Summary of Plan**

The purpose of the Plan is to provide a means whereby employees and directors of the Company develop a sense of proprietorship and personal involvement in the development and financial success of the Company, and to encourage them to devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its stockholders. A further purpose of the Plan is to provide a means through which the Company may attract able individuals to become employees or serve as directors of the Company and to align the interests of individuals who are responsible for the successful administration and management of the Company with those of our stockholders. Under the Plan, the Company may grant non-qualified stock options, incentive stock options (within the meaning of Section 422 of the Code), stock appreciation rights ( SARs ), restricted stock, restricted stock units, performance shares, performance units, cash-based awards, and other stock-based awards.

As of April 2, 2012, awards with respect to a total of 4,641,663 shares of common stock of the Company were issued by the Company pursuant to the Plan and outstanding, of which 381,316 awards were issued in the form of stock options and 4,260,347 in the form of restricted stock. A total of 2,832,696 of these awards were issued to the Company's Named Executive Officers who are listed herein, 698,346 of these awards were issued to the Company's other executive officers and 1,110,621 awards were issued to our directors in 2012 in lieu of payment of cash director fees.

*Administration.* The Plan is administered by the Compensation Committee of the Board of Directors (the Committee). Subject to the express provisions of the Plan, the Committee has the authority to select eligible persons to receive awards and determine all of the terms and conditions of each award. All awards will be evidenced by a written agreement containing such provisions not inconsistent with the Plan as the Committee shall approve. The Committee also has authority to establish rules and regulations for administering the Plan and to decide questions of interpretation or application of any provision of the Plan.

*Available Shares.* Under the Plan, as amended, 12,200,000 shares of common stock will be available for awards (of which no more than 1,000,000 shares may be used for incentive stock options in a single calendar year), subject, in both cases, to adjustment in the event of any corporate event or transaction (including, but not limited to, a change in the shares of the Company or the capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, partial or complete liquidation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Company, combination of shares, exchange of shares, dividend in kind, or other similar change in capital structure, number of outstanding shares or distribution (other than normal cash dividends) to stockholders of the Company, or any similar corporate event or transaction. Shares covered by an award shall be counted as used as of the date of grant. Under the Plan, any shares related to awards under the Plan which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares, are settled in cash in lieu of shares, or are exchanged with the Committee's permission, prior to the issuance of shares, for awards not involving shares, shall be available again for grant under the Plan. Shares tendered to pay the exercise price of any stock options or tax withholding with respect to any award shall again be available for grant under the Plan.



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*Eligibility.* All of the Company's employees and directors are eligible to receive an award under the Plan, although incentive stock options may only be granted to employees of the Company. As of April 2, 2012, the Company had approximately 1,900 employees eligible to participate under the Plan. Any and all awards to executive officers will be formally approved by the Committee in the form of individual award agreements to each employee.

*Change in Control.* In the event of certain acquisitions of 30% or more of the common stock, certain changes in a majority of the Board, or the consummation of a reorganization, merger or consolidation or sale or disposition of all or substantially all of the assets of the Company (unless, among other conditions, the Company's stockholders receive 60% or more of the stock of the surviving company) or the liquidation or dissolution of the Company, all outstanding options and SARs will be exercisable in full, and the restricted stock and restricted stock units will become immediately vested and payable. The performance period applicable to performance shares and performance units shall lapse and the performance goals associated with such awards shall be deemed to have been met at their target level. Such awards shall vest on a pro rata basis based on the portion of the vesting period completed as of the change in control. In such event, the Committee may elect to cancel an outstanding award in return for a payment in cash, stock, securities or any combination thereof, of the value of the award.

*Effective Date, Termination and Amendment.* The effective date of the Plan was May 12, 2006, the date it was approved by our stockholders. The Plan will terminate ten years thereafter unless terminated earlier by the Board. The Committee may, at any time and from time to time, alter, amend, modify, suspend, or terminate the Plan and any award agreement in whole or in part; provided, however, that, without the prior approval of the Company's stockholders and except as provided in the Plan, options or SARs issued under the Plan will not be repriced, replaced, or regranted through cancellation, or by lowering the option price of a previously granted option or the grant price of a previously-granted SAR, and no amendment of the Plan shall be made without stockholder approval if stockholder approval is required by law, regulation, or stock exchange rule.

*Stock Options-General.* The Committee will determine the conditions to the exercisability of each option. Upon exercise of an option, the purchase price may be paid in cash, by delivery of previously-owned shares of common stock, by a cashless (broker-assisted) exercise or by any other method approved or accepted by the Committee.

*Non-Qualified Stock Options and Incentive Stock Options.* The period for the exercise of a non-qualified stock option or incentive stock option will be determined by the Committee but may not be later than 10 years after the date of grant of the stock option. The exercise price of a non-qualified stock option or incentive stock option will not be less than the fair market value of the Common Stock on the date of grant of such stock option. The Committee may impose restrictions on any shares acquired pursuant to the exercise of a non-qualified stock option or incentive stock option granted under the Plan.

The award agreement shall set forth the extent to which the participant shall have the right to exercise the non-qualified stock option or incentive stock option in the event of participant's termination of employment or service. Such provisions will be determined by the Committee.

*Stock Appreciation Rights.* The period for the exercise of a SAR will be determined by the Committee but may not be later than 10 years after the date of grant of the SAR. The base price of a SAR will not be less than 100% of the fair market value of the Common Stock on the date of grant. A SAR entitles the holder to receive upon exercise (subject to withholding taxes) shares of common stock (which may be restricted stock), cash or combination thereof with a value equal to the excess of the fair market value of the common stock on the exercise date over the base price of the SAR. The Committee may impose restrictions upon exercise of a SAR granted under the Plan.

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The award agreement shall set forth the extent to which the participant shall have the right to exercise the SAR in the event of participant's termination of employment or service. Such provisions will be determined by the Committee.

*Restricted Stock and Restricted Stock Units.* The Plan provides for the grant of (i) restricted stock awards which may be subject to a restriction period, and (ii) restricted stock units which are similar to restricted stock except no shares are actually awarded on the date of grant. An award of restricted stock or restricted stock units may be subject to specified performance measures during the applicable restriction period. Shares of restricted stock will be freely transferable only after all conditions and restrictions have been satisfied or lapse. The award agreement shall set forth the extent to which the participant shall have the right to retain restricted stock and/or restricted stock units in the event of the participant's termination of employment or service. Such provisions will be determined by the Committee. Unless otherwise set forth in a restricted stock award agreement, the holder of a restricted stock award will have rights as a stockholder of the Company, including the right to vote and receive dividends with respect to the shares of restricted stock. A participant shall have no voting rights with respect to any restricted stock units granted under the Plan unless and until shares are actually issued to the participant.

*Performance Units and Performance Shares.* The Plan also provides for the grant of performance units and performance share awards. Each performance unit and each performance share is a right, payment of which is contingent upon the attainment of performance measures within a specified performance period. The Committee will determine the form of payout of cash or in shares (or in a combination thereof) equal to the value of earned performance units/performance shares at the close of the applicable performance period. The award agreement shall set forth the extent to which the participant shall have the right to retain the performance units and/or performance shares in the event of participant's termination of employment or service, as determined by the Committee. If the Committee desires to qualify performance-based awards under Section 162(m) of the Code, the performance goals will consist of any of the following:

- (a) Net earnings or net income (before or after taxes, depreciation and amortization);
- (b) Earnings per share;
- (c) Net sales or revenues growth;
- (d) Net operating profit;
- (e) Return measures (including, but not limited to, return on assets, capital, working capital, equity, sales, or revenue);
- (f) Cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity, and cash flow returns on investment);
- (g) Earnings before taxes, interest, depreciation and/or amortization;
- (h) Gross or operating margins;
- (i) Productivity ratios;
- (j) Share price (including, but not limited to, growth measures and total shareholder return);
- (k) Expense target;
- (l) Margins;
- (m) Operating efficiency;
- (n) Market share;
- (o) Customer satisfaction;
- (p) Working capital targets; and

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(q) Economic value added or EVA<sup>®</sup> (net operating profits after tax minus the sum of capital multiplied by the cost of capital).

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Performance goals may be related to a specific customer or group of customers or geographic region, and may be measured on a Company, subsidiary, and/or affiliate, division, business unit, service line, segment or geographic basis or any combination thereof. Performance goals may reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group of entities or published or special indexes or other external measures of the selected performance goals. Performance goals may exclude any extraordinary or non-recurring items and may, but need not, be based upon an increase or positive result under the above criteria. The performance goals may not include solely the mere continued employment of the participant. However, an award under the Plan may become vested and/or payable contingent on the participant's continued employment or service, and/or employment or service at the time the award becomes vested and/or payable, in addition to performance goals. The Committee has the sole discretion to select one or more periods of time over which the attainment of one or more performance goals will be measured for the purpose of determining a participant's right to, and the vesting and/or payment of, an award that will become vested and/or payable on performance goals. The Committee also has the authority to provide for accelerated vesting and/or payment of any award based on the achievement of performance goals. The amount of an award that will become vested and/or payable if the performance goals are achieved (or an objective formula for, or method of, computing such amount) must be established in writing by the Committee generally no later than 90 days after the start of the fiscal year (and before the lapse of 25% of the period of service to which the performance goals relate). The Committee must certify in writing that the performance goals are achieved before payment of the award.

*Cash-Based Awards and Other Stock-Based Awards.* The Plan also provides for the grant of cash-based awards and other types of equity-based or equity-related awards not otherwise described by the Plan as determined by the Committee. The Committee will determine the value of the cash-based awards and other stock-based awards and may establish performance goals, the achievement of which is required for payment. In the event the Committee establishes performance goals, the number and/or value of cash-based awards or other stock-based awards that will be paid out will depend on the extent to which performance goals are met. The Committee shall determine the extent to which the participant shall have the right to receive cash-based awards or other stock-based awards in the event of the participant's termination of employment or service.

If the Committee desires to qualify restricted stock, restricted stock units, performance units or performance shares as qualified performance-based awards that are exempt from the \$1 million deduction limit of Section 162(m) of the Code, the performance goals must be objectively determinable and limited to one or more of any of the criteria set forth above under Performance Units and Performance Shares.

*Non-Employee Director Awards.* The Board or Committee shall determine all awards to non-employee directors. The terms of any such awards shall be set forth in a written award agreement.

*Maximum Awards for Employees.* Generally, the Plan limits the number or amount of awards that may be granted to any individual employee or director in any single calendar year as follows (subject to adjustment as described above):

- (a) 1,000,000 options (including incentive stock options);
- (b) 1,000,000 SARs;
- (c) 500,000 shares of restricted stock or restricted stock units;
- (d) 500,000 performance shares or performance units; and
- (e) \$7,500,000 or 500,000 shares of cash-based or other stock-based awards.

### **New Plan Benefits**

The selection of eligible participants who may receive awards under the Plan (if the amendments to the Plan are approved by the stockholders), and the size and the types of awards subject to issuance, will be determined by

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the Committee in its discretion in accordance with the Plan. The amount of any such awards under the Plan are not determinable at this time due to vesting, corporate performance and other future requirements that may be included in the award. Therefore, it is not possible to predict the future benefit or amounts that will be received by, or allocated to, any participant or participants in future years. If the amendments to the Plan had been in place prior to the last fiscal year, we believe that the awards granted under the Plan would have been substantially similar to those shown under Compensation of Executive Officers Grants of Plan Based Awards for 2011 elsewhere in this proxy statement.

### **Certain Federal Income Tax Consequences**

The following is a brief summary of certain U.S. federal income tax consequences generally arising with respect to awards under the Plan.

A participant generally will not recognize taxable income at the time an option is granted, and the Company will not be entitled to a tax deduction at such time. A participant will recognize compensation taxable as ordinary income (and subject to income and employment tax withholding in respect of an employee) upon exercise of a non-qualified stock option equal to the excess of the fair market value of the shares purchased over their exercise price, and the Company generally will be entitled to a corresponding deduction. A participant will not recognize income (except for purposes of the alternative minimum tax) upon exercise of an incentive stock option. If the shares acquired by exercise of an incentive stock option are held for the longer of two years from the date the option was granted and one year from the date it was exercised, any gain or loss arising from a subsequent disposition of such shares will be taxed as long-term capital gain or loss, and the Company will not be entitled to any deduction. If, however, such shares are disposed of within the above-described period, then in the year of disposition, the participant will recognize compensation taxable as ordinary income equal to the excess of the lesser of (i) the amount realized upon disposition and (ii) the fair market value of the shares on the date of exercise over the exercise price, and the Company generally will be entitled to a corresponding deduction.

A participant generally will not recognize taxable income at the time SARs are granted, and the Company will not be entitled to a tax deduction at such time. Upon exercise, the participant will recognize compensation taxable as ordinary income (and subject to income and employment tax withholding in respect of an employee) in an amount equal to the fair market value of any shares delivered and the amount of any cash paid by the Company. This amount generally is deductible by the Company as compensation expense.

A participant will not recognize taxable income at the time restricted stock is granted, and the Company will not be entitled to a tax deduction at such time, unless the participant makes an election to be taxed at such time. If such election is not made, the participant will recognize compensation taxable as ordinary income (and subject to income and employment tax withholding in respect of an employee) at the time the restrictions lapse in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares. The amount of ordinary income recognized generally is deductible by the Company as compensation expense, except to the extent the deduction limits of Section 162(m) of the Code apply. Restricted stock units generally will also be taxed as ordinary income in an amount equal to the fair market value of any shares delivered and the amount of cash paid by the Company.

**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information about the shares of our common stock that may be issued upon the exercise of options and other awards under our existing equity compensation plans as of December 31, 2011. Our stockholder-approved equity compensation plans are the 2004 Equity Incentive Plan and the 2006 Long-Term Equity Incentive Plan. We do not have any non-stockholder approved equity compensation plans.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	905,316	\$ 6.18	2,487,143
Equity compensation plans not approved by security holders		n/a	
<b>Total</b>	<b>905,316</b>	<b>\$ 6.18</b>	<b>2,487,143</b>

On April 2, 2012, the closing price of the Company's common stock on the NYSE was \$2.54 per share.

**Our Board unanimously recommends a vote FOR the approval of the amendment to the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan (as previously amended and restated).**

**PROPOSAL 4:****AMENDMENT TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION****General**

The Company's Board of Directors has adopted, declared advisable and is submitting for stockholder approval a proposal to amend and restate the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of the Company's common stock from 100,000,000 to 200,000,000. Specifically, the Company proposes to amend and restate Article IV, Section A of the Company's Amended and Restated Certificate of Incorporation to read in its entirety as follows:

A. Authorized Capital Stock. The total number of shares of all classes of stock which the Corporation shall have authority to issue is two hundred thirty million (230,000,000) shares, consisting of: (i) two hundred million (200,000,000) shares of common stock, par value one cent (\$0.01) per share (the Common Stock), and (ii) thirty million (30,000,000) shares of preferred stock, par value one cent (\$0.01) per share (the Preferred Stock).

The entire proposed Second Amended and Restated Certificate of Incorporation of the Company is attached hereto as Appendix B. If this proposal is approved, it is expected that the Second Amended and Restated Certificate of Incorporation of the Company attached hereto as Appendix B and reflecting the changes described above will be promptly filed with the Secretary of State of the State of Delaware and will become effective upon the filing thereof.

On April 2, 2012, there were 63,702,287 shares of the Company's common stock issued and outstanding. Currently, 7,422,222 shares of common stock have been reserved for issuance in connection with the Company's long term incentive plans. However, if Proposal 3 to amend the 2006 LTIP is approved, the number of shares reserved will increase to 14,422,222 shares. As of April 2, 2012, no shares of the Company's Preferred Stock were issued and outstanding.



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### **Purpose of the Amendment**

The Board is recommending this increase in authorized shares of common stock primarily to give the Company appropriate flexibility to issue shares for future corporate needs. The shares may be issued by the Board in its discretion, subject to any further stockholder action required in the case of any particular issuance by applicable law, regulatory agency, or under the rules of the New York Stock Exchange. Other than as previously disclosed with respect to shares issuable in connection with outstanding equity awards, there is no present agreement to issue any shares, but the newly authorized shares of common stock would be issuable for any proper corporate purpose, including future acquisitions, investment opportunities, capital raising transactions of equity or convertible debt securities, stock splits, stock dividends, issuance under current or future equity compensation plans, employee stock plans and savings plans or for other corporate purposes. There are no immediate plans, arrangements, commitments or understandings with respect to issuance of any of the additional shares of common stock that would be authorized by the proposed amendment. However, the Board believes that these additional shares will provide the Company with needed flexibility and will provide us with the ability to issue shares in the future to take advantage of market conditions or strategic opportunities without the potential expense or delay incident to obtaining stockholder approval for a particular issuance.

### **Rights of Additional Authorized Shares**

The additional authorized shares of common stock, if and when issued, would be part of the existing class of common stock and would have the same rights and privileges as the shares of common stock currently outstanding. As the Company's stockholders do not have preemptive rights with respect to the Company's common stock, should the Board of Directors elect to issue additional shares of common stock, existing stockholders would not have any preferential rights to purchase the shares.

### **Potential Adverse Effects of the Amendment**

The adoption of this proposal would have no immediate dilutive effect on the proportional voting power or other rights of existing stockholders; however, future issuances of common stock, or securities convertible into common stock, could have a dilutive effect on the earnings per share, book value per share, voting power and percentage interest of holdings of current stockholders.

In addition, the availability of additional shares of common stock for issuance could, under certain circumstances, discourage or make more difficult efforts to obtain control of the Company. Although nothing would prevent the Board from taking any appropriate actions not inconsistent with its fiduciary duties, the Board is not aware of any attempt, or contemplated attempt, to acquire control of the Company, and this proposal is not being presented with the intent that it be used to prevent or discourage any acquisition attempt.

### **Vote Required**

Under Delaware law, the affirmative vote of a majority of the shares outstanding and entitled to vote is required to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock. As a result, abstentions and broker non-votes will have the effect of a vote against the proposal.

**Our Board unanimously recommends a vote FOR the approval of the amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation.**



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**PROPOSAL 5:**

**ADVISORY, NON-BINDING VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

As required pursuant to Section 14A of the Exchange Act, we seek a non-binding advisory vote from our stockholders to approve the compensation of our executives as described under Compensation Discussion and Analysis ( CD&A ) and the tabular disclosure regarding named executive officer compensation (together with the accompanying narrative disclosure) in this proxy statement. This proposal, commonly known as a say-on-pay proposal, gives our stockholders the opportunity to express their views on our executive compensation. Because your vote is advisory, it will not be binding on the Board. However, the Compensation Committee will take into account the outcome of the vote when making future executive compensation decisions. At our 2011 Annual Meeting, a majority of stockholders voted, consistent with the recommendation of the Company's board of directors, to hold a stockholder advisory vote to approve the compensation of the Company's named executive officers annually. Accordingly, we presently intend to hold annual say-on-pay votes.

As discussed below in our CD&A, our primary goal is to establish a compensation program that serves the long-term interests of the Company and our stockholders by aligning management's interests with that of our stockholders through equity ownership and by promoting the attainment of certain individual and corporate goals. In addition, our compensation program is designed to attract and retain top quality executives with the qualifications necessary for the long-term financial success of the Company. Key elements of our compensation philosophy include:

Compensation decisions are driven by a pay-for-performance philosophy, which takes into account performance by both the Company and the individual;

Performance is determined with reference to pre-established goals, both with respect to the Company and the individual, which we believe enhances the individual executive's performance;

Where possible, a significant component of total direct compensation should consist of variable compensation;

Total compensation opportunity should be comparable to the median ranges in the marketplace within which we compete; and

Increased compensation can be earned through an individual's increased contribution to the Company. The Compensation Committee has and will continue to take action to structure our executive compensation practices in a manner that is performance-based with a view towards serving the long-term interests of the Company and our stockholders. The Board believes that the executive compensation as described in this proxy statement aligns with our compensation philosophy.

**Our Board recommends a vote FOR the following advisory resolution:**

**RESOLVED, that the compensation paid to the company's named executive officers as disclosed pursuant to Item 402 of Regulation S-K, including the CD&A, the compensation tables and narrative discussion, is hereby approved.**

**INFORMATION ABOUT THE BOARD OF DIRECTORS**

Our Board met ten times during 2011. Each incumbent director attended at least 75% of the total of all Board and committee meetings he was entitled to attend during 2011.

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Our Board has reviewed the independence of each of its members based on the criteria for independence set forth under applicable securities laws, including the Securities Exchange Act of 1934, as amended (the Exchange Act), applicable rules and regulations of the SEC and applicable rules and regulations of the NYSE. The NYSE Listed Company Manual and corresponding listing standards provide that, in order to be independent, the Board must determine that a director has no material relationship with the Company other than as a director. The Board has reviewed the relationships between each Board member and the Company. Based on its review, the Board has affirmatively determined, by resolution of the Board as a whole, that the directors serving on the Audit Committee have no material relationship with us or any other matter of any kind that would impair their independence for purposes of serving on our Board and, therefore, satisfy the requirements to be considered independent under the NYSE listing standards applicable to the Board as well as satisfying the independence requirements applicable to audit committee membership. The Audit Committee included the following individuals between May 19, 2011 and December 31, 2011: Richard S. Grant, Charles H. McElrea and Alan H. Schumacher. Between January 2, 2011 and May 19, 2011, the Audit Committee included the following members: Richard S. Grant, Richard B. Marchese and Alan H. Schumacher. Mr. Marchese's service on the audit committees of three other public companies was determined by the Board not to impair his ability to serve on the Company's Audit Committee.

As further described under Controlled Company, below, because we are a controlled company, we are exempt from the requirement that our Board be comprised of a majority of independent directors. Four members of our current Board are current or former employees of, or advisors to, Cerberus, the indirect holder of a majority of the outstanding shares of our common stock, and as such are not independent.

Our business and affairs are managed by our Board. To assist it in carrying out its responsibilities, our Board has established the two standing committees described below, under Committees of the Board of Directors. The charter for each of these committees, as in effect from time to time, may be found on our website, [www.bluelinxco.com](http://www.bluelinxco.com). Each of these committees has the right to retain its own legal counsel and other advisors. While we do not have a formal attendance policy, all of our directors are encouraged to attend our Annual Stockholder Meeting. Five of our then ten directors attended the 2011 Annual Meeting of Stockholders.

### **Board Structure and Risk Oversight**

We have separate persons serving as Chairman of the Board and Chief Executive Officer. Howard S. Cohen is our Chairman and chairs our Board meetings. George R. Judd is our President and Chief Executive Officer. The Chairman of the Board provides general oversight and high level strategic planning for the Company while the Chief Executive Officer manages the business of the organization with a focus on daily operations as they relate to the Company's long-term strategy. We believe this structure is appropriate for the Company at this time as it keeps board leadership separate from operational management.

Our Board monitors our exposure to a variety of risks. Risk may be addressed from time to time by the full Board or by one or more of our Board Committees. Senior management is responsible for identifying and managing material risks faced by the Company and periodically reports on such risks to the full Board or to the appropriate Committee. Our audit committee charter gives the Audit Committee responsibilities and duties that include discussing with management, the internal audit department and the independent auditors our major financial risk exposures and the steps management has taken to monitor, control and minimize such exposures. Liquidity risk, credit risk and risks associated with our debt facilities and cash management are handled primarily by our finance and accounting department, which provides regular reports to our Audit Committee. The Compensation Committee is responsible for reviewing whether our compensation programs encourage excessive risk taking by senior executive management. General business and operational risks are handled primarily by senior executive management, which discusses any such risks as necessary during its regular meetings with the Board. The Company also has established a risk committee, comprised of functional area leaders within the Company, which assists the internal audit group with monitoring and addressing the Company's risks.

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### **Lead Director**

The lead director's duties generally include serving as the chairperson for all executive sessions of the non-management directors and communicating to the Chief Executive Officer the results of non-management executive board sessions. Mr. Cohen, the Chairman of the Board, currently serves as the Company's lead director. Any interested party may contact the lead director by directing such communications to the lead director c/o Corporate Secretary, BlueLinx Holdings Inc., 4300 Wildwood Parkway, Atlanta, Georgia 30339. Any such correspondence received by us will be forwarded to the lead director.

### **Committees of the Board of Directors**

#### ***The Audit Committee***

Our Board established a separately-designated standing Audit Committee in accordance with Section 3(a)(58)(A) of the Exchange Act. The purpose of the Audit Committee is to assist our Board in fulfilling its responsibilities to oversee our financial reporting process, including monitoring the integrity of our financial statements and the independence and performance of our internal and external auditors. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of our independent registered public accounting firm.

The Audit Committee met eight times in 2011. The Audit Committee currently consists of Messrs. Grant, McElrea and Schumacher. Mr. McElrea replaced Mr. Richard B. Marchese as a member of the Audit Committee beginning on May 19, 2011. As discussed above, our Board has affirmatively determined that Messrs. Grant, McElrea and Schumacher are each independent, as such term is defined under the rules of the SEC and the listing standards of the NYSE applicable to audit committee membership, and each meets the NYSE's financial literacy requirements. Mr. Marchese also was deemed to be independent during his time on the Audit Committee. Our Board has determined that Mr. Schumacher is an audit committee financial expert, as such term is defined under the applicable rules of the SEC.

The Audit Committee operates pursuant to a written charter, a copy of which can be found on our website at [www.bluelinxco.com](http://www.bluelinxco.com). Additionally, the audit committee charter is available in print to any stockholder who requests it by writing to BlueLinx Holdings Inc., attn: Corporate Secretary, 4300 Wildwood Parkway, Atlanta, Georgia 30339.

The Audit Committee has adopted a procedure to receive allegations on any fraudulent accounting issues through a toll-free telephone number as set out in our code of conduct and ethics. See Corporate Governance Guidelines and Code of Ethics below.

#### ***The Compensation Committee***

The Compensation Committee oversees the determination of all matters relating to employee compensation and benefits and is empowered to: (1) establish a compensation policy for executive officers, including setting base salaries and incentive compensation; (2) review compensation practices and trends and risks that may be created by the design of our compensation programs; (3) make recommendations as to compensation levels for executive officers; (4) approve employment contracts; (5) administer our equity and other incentive plans; and (6) undertake administration of other employee benefit plans. The Compensation Committee currently consists of Messrs. Cohen, Schumacher and Warner. Beginning on May 19, 2011, Messrs. Cohen and Warner replaced Messrs. Richard B. Marchese and Mark A. Suwyn as members of the Compensation Committee. The Compensation Committee met four times during 2011. As further described under Controlled Company below, because we are a controlled company, we are exempt from the requirement that the Compensation Committee be comprised solely of independent directors. Mr. Cohen is an advisor to and Mr. Warner was a consultant for Cerberus until June 2011 and as such are not considered independent. Mr. Suwyn, who was a member of the Compensation Committee until May 19, 2011, was formerly an advisor to Cerberus, and as such, was not considered independent.

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The Compensation Committee has engaged Meridian Compensation Partners, LLC ( Meridian ) to serve as an advisor to the Committee on executive compensation issues and to provide recommendations as to executive compensation levels. Meridian provides ongoing executive compensation advisory services for the Committee as its independent compensation consultant. Although the Committee referred to the compensation benchmarking survey provided by Hewitt Associates in October 2008, Meridian did not make any specific recommendations to the Committee in 2011. Meridian did not provide any other services to the Company in excess of \$120,000.

The Compensation Committee operates pursuant to a written charter, a copy of which can be found on our website at [www.bluelinxco.com](http://www.bluelinxco.com). Additionally, the charter is available in print to any stockholder who requests it by writing to BlueLinx Holdings Inc., attn: Corporate Secretary, 4300 Wildwood Parkway, Atlanta, Georgia 30339. Pursuant to the terms of its written charter, the Compensation Committee may delegate certain of its duties and responsibilities to a subcommittee consisting of one or more members of the Committee, or to executive officers of the Company.

For more information on the role of the Compensation Committee and its processes and procedures for considering and determining executive officer compensation, see Compensation Discussion and Analysis in this proxy statement.

## **Controlled Company**

We are a controlled company for purposes of Section 303A NYSE Listed Company Manual. Our basis for this determination is that Cerberus ABP Investor LLC, an affiliate of Cerberus, owns 33,651,979, or approximately 52.83% of the outstanding shares of our common stock as of the Record Date. Accordingly, we are exempt from the NYSE listing requirements that would otherwise mandate (1) a majority of independent directors on our Board, (2) a nominating committee of our Board, comprised solely of independent directors, to select or recommend nominees to our Board, and (3) a compensation committee of our Board, comprised solely of independent directors, to determine the compensation of our executive officers.

## **Nomination Process**

Because we are a controlled company, we do not have a standing nominating committee comprised solely of independent directors or any other committee performing similar functions. Such matters are considered at meetings of our full Board. Due to the size of our Board, we do not foresee an immediate need to establish a separate nominating committee or adopt a charter to govern the nomination process. In addition, because we are a controlled company, we do not have a policy regarding our consideration of nominations or recommendations for director candidates by other stockholders. To the extent we receive any such nominations or recommendations, they will be considered at such time based on such factors as the Board considers relevant.

Our Board has generally used an informal process to identify and evaluate director candidates. We believe that identifying and nominating highly skilled and experienced director candidates is critical to our future. Our Board has previously engaged third parties to assist it in identifying qualified independent director candidates. Our Board encourages all directors, independent or otherwise, to identify potential director nominees. As a result, our Board believes that it is presented with a diverse and experienced group of candidates for discussion and consideration.

During the evaluation process, our Board seeks to identify director candidates with the highest personal and professional ethics, integrity and values. While it has not adopted a formal written diversity policy, in the context of the needs of our Board at any given point in time, our Board will seek candidates with diverse experience in business, finance and other matters relevant to a company such as ours, prominence in their profession, concern for the interests of our stockholders and an understanding of our business. Additionally, our Board requires that director nominees have sufficient time to devote to our business and affairs.

**Table of Contents****IDENTIFICATION OF EXECUTIVE OFFICERS AND DIRECTORS**

The following table contains the name, age and position with our company of each of our executive officers and directors as of April 2, 2012. Their respective backgrounds are described in the text following the table.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Howard S. Cohen	65	Chairman of the Board of Directors (Director since September 2007, Chairman since March 2008)
George R. Judd	51	President, Chief Executive Officer and Director (since October 2008)
H. Douglas Goforth	48	Senior Vice President, Chief Financial Officer and Treasurer
Dean A. Adelman	46	Chief Administrative Officer
Ned M. Bassil	46	Chief Supply Chain Officer
Richard S. Grant	65	Director (since 2005)
Steven F. Mayer	52	Director (since 2004)
Charles H. McElrea	61	Director (since 2004)
Alan H. Schumacher	65	Director (since 2004)
Robert G. Warden	39	Director (since 2004)
M. Richard Warner	60	Director (since 2008)

**Executive Officers**

*George R. Judd* has served as our Chief Executive Officer since November 2008 and as our President since May 2004. Prior to that time, he worked for Georgia-Pacific Corporation in a variety of positions managing both inside and outside sales, national accounts and most recently as Vice President of Sales and Eastern Operations from 2002-2004. From 2000 until 2002, Mr. Judd worked as Vice President of the North and Midwest regions of the Distribution Division. He served as Vice President of the Southeast region from 1999 to 2000. He graduated from Western Connecticut State University in 1984 with a Bachelor's degree in Marketing.

*H. Douglas Goforth* has served as our Senior Vice President, Chief Financial Officer and Treasurer since February 2008. From November 2006 until February 2008, Mr. Goforth served as Vice President and Corporate Controller for Armor Holdings Inc. which was acquired by BAE Systems in July 2007. Previously he served as Corporate Controller for BlueLinx from May 2004 until October 2006, where he played a key role in our 2004 IPO. From 2002 until 2004 he served as Controller for the Distribution Division of Georgia-Pacific Corporation. Mr. Goforth has 25 years of combined accounting, finance, treasury, acquisition and management experience with leading distribution and manufacturing companies including Mitsubishi Wireless Communications, Inc., Yamaha Motor Manufacturing, Inc. and Ingersoll-Rand. Mr. Goforth is a North Carolina State Board Certified Public Accountant and earned a Bachelor of Science in Accounting from Mars Hill College in North Carolina.

*Dean A. Adelman* has served as our Chief Administrative Officer since May 2008 and as our Vice President, Human Resources since October 2005. Prior to that time, he served as Vice President Human Resources, Staff Development & Training for Corrections Corporation of America. Previously, Mr. Adelman served as Vice President Human Resources for Arby's Inc. (formerly RTM Restaurant Group) from 1998 to 2002. From 1991 to 1998, Mr. Adelman served as senior counsel for G-P. Mr. Adelman received his Masters of Business Administration from the Kellogg School of Management at Northwestern University, a Juris Doctor degree from the University of Georgia School of Law, and a Bachelor of Arts degree from the University of Georgia.

*Ned M. Bassil* has served as our Senior Vice President, Chief Supply Chain Officer since December 2011. Prior to that, Mr. Bassil was a Senior Partner at a Bahou Heritage, a boutique firm providing large industrial clients with customized advisory services, from 2006 to 2007 and from 2009 to 2011. Mr. Bassil held the role of

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Group CEO at Azadea Holdings from 2008 to 2009, overseeing operations at over 350 retail outlets in 12 countries in Europe, the Middle East, & Africa, in the areas of Fashion, Food & Beverage, and Home Furnishings, in addition to Real Estate development activities. Mr. Bassil also held a number of senior management roles such as VP Global Operations, Senior VP Operations, and General Manager at Black & Decker from 2004 to 2005, Philips Electronics from 1998 to 2004, and Allied Signal (Honeywell) from 1993 to 1995 in durable consumer goods, consumer electronics, lighting, and automotive industries. He also held the role of Director of Operational Excellence at Allied Signal from 1996 to 1998, overseeing the Black Belt deployment within the Automotive Products Group. Mr. Bassil received his Masters of Business Administration from the Wharton School at the University of Pennsylvania, a Masters in Engineering from Youngstown State University, and a Bachelor of Science in Electrical Engineering from Youngstown State University.

### **Nominees for Election as Director**

*Howard S. Cohen* has served as Chairman of our Board since March 2008 and as a member of our Board since September 2007. He is a Senior Advisor to Cerberus. Mr. Cohen served as our Interim Chief Executive Officer from March 2008 through October 2008 and as our Executive Chairman from March 2008 through March 2009. Mr. Cohen possesses 33 years of leadership experience, including service as President and CEO of four publicly-traded companies: GTECH Corporation, from 2001 to 2002; Bell & Howell, from 2000 to 2001; Sidus Systems Inc., from 1998 to 1999; and Peak Technologies Group, Inc., from 1996 to 1998. Mr. Cohen has also managed independent divisions of three Fortune 500 companies. Mr. Cohen serves as the Chairman of the Board of Directors of Albertsons LLC and Equable Ascent Financial, LLC, both of which are Cerberus portfolio companies. Mr. Cohen previously served on the Board of SSA Global Technologies, Inc. from 2005 until 2007.

Mr. Cohen's past experience as our interim Chief Executive Officer and Executive Chairman, financial expertise, management advisory expertise, experience as a director and officer of public companies, relationship with our largest stockholder and his performance as one of our Board members make him a valuable member of our Board.

*George R. Judd* has served as a member of our Board since October 2008. As an executive officer of our Company, Mr. Judd's background is described above. Mr. Judd's experience as our Chief Executive Officer, years of experience with Georgia-Pacific Corporation and BlueLinx in a variety of leadership roles, institutional knowledge, management skills, industry knowledge and his performance as one of our Board members make him a valuable member of our Board.

*Richard S. Grant* has served as a member of our Board since December 2005. Previously, Mr. Grant served as a director of The BOC Group plc, until his retirement in 2002. Over 30 years of service with The BOC Group, Mr. Grant held various management positions, most recently as Chief Executive of BOC Process Gas Solutions, Chairman of CNC sa, a Mexican joint venture company, and he had group responsibility for Technology, Latin America and Continental Europe. Previous responsibilities included service as the BOC Regional Director for South Pacific/South Asia, Chairman of Elgas Ltd, an Australian LPG distributor, and before that as President of Ohmeda Medical Devices and Chief Executive Officer of Glasrock Home Healthcare Inc. Mr. Grant currently serves on the Board of Compass Minerals International Inc, where he is lead director, a member of the audit committee and the nominating corporate governance committee, of which he was previously Chairman. Mr. Grant previously served as a director of Distributed Energy Systems Corporation from 2006 to 2007.

Mr. Grant's experience managing distribution businesses, leadership experience, international board experience, transactional experience, financial expertise, experience as an officer and director of public companies, independence and his performance as one of our Board members make him a valuable member of our Board.

*Steven F. Mayer* has served as a member of our Board since May 2004. He has been Senior Managing Director or Managing Director of Cerberus California, LLC and predecessor entities since November 2002 and

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also serves as Co-Head of Private Equity at Cerberus. Prior to joining Cerberus in 2002 and since 2001, Mr. Mayer was an Executive Managing Director of Gores Technology Group. Prior to joining Gores, from 1996 to 2001, Mr. Mayer was a Managing Director of Libra Capital Partners, L.P. From 1994 until 1996, Mr. Mayer was a Managing Director of Aries Capital Group, LLC, a private equity investment firm that he co-founded. From 1992 until 1994, Mr. Mayer was a principal with Apollo Advisors, L.P. and Lion Advisors, L.P., affiliated private investment firms. Prior to that time, Mr. Mayer was an attorney with Sullivan & Cromwell. Mr. Mayer is a member of the boards of directors of Grifols, S.A., TransCentra, Inc., Spyglass Entertainment Holdings, LLC and Innkeepers USA, LLC. Mr. Mayer received his A.B., cum laude, from Princeton University and his juris doctor degree, magna cum laude, from Harvard Law School.

Mr. Mayer's financial expertise, management advisory expertise, experience as a director of public companies, relationship with our largest stockholder and his performance as one of our Board members make him a valuable member of our Board.

*Charles H. (Chuck) McElrea* served as our Chief Executive Officer from May 2004 until his retirement from that position in October 2005, and has served as a member of our Board since May 2004. Prior to that time, Mr. McElrea worked at Georgia-Pacific for 26 years, most recently as President of the Distribution Division for four years and as Vice President of Finance, Information Technology and Strategy of Containerboard and Packaging for one year. Mr. McElrea held several other senior management positions including Vice President of Distribution Division Integrated Business Systems, Vice President of Packaging Division Business Planning & Logistics, Vice President of Pulp & Paper Logistics, Vice President of Purchasing and Vice President of the Bleached Board Division. He also held company positions in both manufacturing and finance/accounting. Mr. McElrea received a Bachelor's degree in Business from California Polytechnic State University in 1977.

Mr. McElrea's past experience as our Chief Executive Officer, years of experience with Georgia-Pacific Corporation and BlueLinx in a variety of leadership roles, institutional knowledge, industry knowledge and his performance as one of our Board members make him a valuable member of our Board.

*Alan H. Schumacher* has served as a member of our Board since May 2004. He is a director of Noranda Aluminum Holding Corporation, Equable Ascent Financial, LLC, North American Bus Industries, Inc., School Bus Holdings Inc. and Quality Distribution Inc. He is also a member of the board of managers of Quality Distribution LLC. Mr. Schumacher was a director of Anchor Glass Container Inc. from 2003 to 2006, and of Equable Ascent Financial, LLC from December 2009 through February 27, 2012. Mr. Schumacher is a member of the Federal Accounting Standards Advisory Board and has served on that board since 2002. Mr. Schumacher has 23 years of experience working in various positions at American National Can Corporation and American National Can Group, where, from 1997 until his retirement in 2000, he served as Executive Vice President and Chief Financial Officer and, from 1988 through 1996, he served as Vice President, Controller and Chief Accounting Officer.

Mr. Schumacher's financial expertise (including his qualification as an audit committee financial expert), experience in the oversight of financial reporting and internal controls, experience as an officer and director of public companies, independence and his performance as one of our Board members make him a valuable member of our Board.

*Robert G. Warden* has served as a member of our Board since May 2004. Mr. Warden is a Managing Director of Cerberus, which he joined in February 2003. Prior to joining Cerberus, Mr. Warden was a Vice President at J.H. Whitney from May 2000 to February 2003, a principal at Cornerstone Equity Investors LLC from July 1998 to May 2000 and an associate at Donaldson, Lufkin & Jenrette from July 1995 to July 1998. Mr. Warden graduated with an AB from Brown University in 1995. Mr. Warden also serves on the boards of AerCap Holdings N.V. and several privately held entities.

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Mr. Warden's financial expertise, management advisory expertise, experience as a director of public companies, relationship with our largest stockholder and his performance as one of our Board members make him a valuable member of our Board.

*M. Richard Warner* has served as a member of our Board since March 2008. Mr. Warner served as a consultant for Cerberus Capital Management, L.P., or Cerberus, from May 2007 through June 2011. Prior to his work with Cerberus, Mr. Warner was employed for more than 20 years in a variety of capacities at Temple-Inland Inc., most recently as a Senior Advisor during 2006, President from 2003 to 2005, Vice President & Chief Administrative Officer from 1999 to 2003 and Vice President & General Counsel from 1994 to 2002. Prior to joining Temple-Inland, Mr. Warner was a commercial lawyer in private practice. Mr. Warner currently serves on the boards of Balcones Resources Inc. He was a director of Equable Ascent Financial, LLC, a Cerberus portfolio company from 2007 to February 27, 2012. Mr. Warner received his BBA degree, magna cum laude, from Baylor University and his Juris Doctor degree from Baylor University Law School.

Mr. Warner's financial expertise, management advisory expertise, experience as a director and officer of public companies, industry knowledge and experience, relationship with our largest stockholder and his performance as one of our Board members make him a valuable member of our Board.

**COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

Stockholders and other interested parties who wish to send communications, including recommendations for director nominees, to our Board or any individual director may do so by writing to the Board of Directors, in care of our secretary, at our principal executive offices, BlueLinx Holdings Inc., attn: Corporate Secretary, 4300 Wildwood Parkway, Atlanta, Georgia 30339. Your letter should indicate whether you are a stockholder. Depending on the subject matter, our Corporate Secretary will, as appropriate:

forward the communication to the director to whom it is addressed or, in the case of communications addressed to the Board of Directors generally, to the chairman;

attempt to handle the inquiry directly where it is a request for information about us; or

not forward the communication if it is primarily commercial in nature or if it relates to an improper topic. Communications from interested parties that are complaints or concerns relating to financial and accounting methods, internal accounting controls or auditing matters should be sent to the chairman of the Audit Committee, following the procedures set forth above. Director nominations will be reviewed for compliance with the requirements identified under "Submission of Stockholder Proposals" in this proxy statement and if they meet such requirements, will be promptly forwarded to the director or directors identified in the communication.

All communications will be summarized for our Board on a periodic basis and each letter will be made available to any director upon request.



**Table of Contents****SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS**

The following table sets forth, as of April 2, 2012 (unless otherwise indicated in the footnotes), certain information with respect to our common stock owned beneficially by (1) each director or director nominee, (2) each named executive officer, (3) all executive officers and directors as a group, and (4) each person known by us to be a beneficial owner of more than 5% of our outstanding common stock. Unless otherwise noted, each of the persons listed has sole investment and voting power with respect to the shares of common stock included in the table. Beneficial ownership has been determined in accordance with Rule 13d-3 of the Exchange Act. Pursuant to the rules of the SEC, shares of our common stock that a beneficial owner has a right to acquire within 60 days pursuant to the exercise of stock options are deemed to be outstanding for the purpose of computing percentage ownership of such owner.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Outstanding(1)
Stephen Feinberg(2)(3)	33,651,979	52.83%
Stadium Capital Management, LLC(4)	4,977,133	7.81%
Howard S. Cohen(5)	1,835,058	2.88%
George R. Judd(6)	1,861,218	2.92%
Howard D. Goforth	793,576	1.25%
Dean A. Adelman(7)	669,178	1.05%
Ned M. Bassil	200,000	*
Richard S. Grant(8)	68,244	*
Steven F. Mayer(9)	0	0
Charles H. McElrea	393,037	*
Alan H. Schumacher	62,183	*
Robert G. Warden(3)	0	0
M. Richard Warner	35,864	*
All executive officers and directors as a group (11 persons)	5,918,358	9.29%

\* Less than one percent.

- (1) The percentage ownership calculations are based on 63,702,287 shares of our stock outstanding on April 2, 2012.
- (2) Cerberus ABP Investor LLC is the record holder of 33,651,979 shares of our common stock. Mr. Feinberg exercises sole voting and investment authority over all of our securities owned by Cerberus ABP Investor LLC. Thus, pursuant to Rule 13d-3 under the Exchange Act, Mr. Feinberg is deemed to beneficially own 33,651,979 shares of our common stock.
- (3) The address for Messrs. Feinberg and Warden is c/o Cerberus Capital Management, L.P., 299 Park Avenue, New York, NY 10171.
- (4) Stadium Capital Management, LLC exercises shared voting and investment authority over 4,977,133 shares of our stock in conjunction with Alexander M. Seaver and Bradley R. Kent. In addition, Stadium Capital Partners, L.P., also exercises shared voting and investment authority over 4,434,149 of these shares of our stock. The address for Stadium Capital Management, LLC, Alexander M. Seaver, Bradley R. Kent and Stadium Capital Partners L.P. is 199 Elm Street, New Canaan, Connecticut 06840-5321.
- (5) Mr. Cohen's ownership includes options to purchase 750,000 shares of our common stock which are exercisable as of April 2, 2012, or that will become exercisable within 60 days of that date.

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- (6) Mr. Judd's ownership includes options to purchase 78,647 shares of our common stock which are exercisable as of April 2, 2012, or that will become exercisable within 60 days of that date.
  
- (7) Mr. Adelman's ownership includes options to purchase 35,169 shares of our common stock which are exercisable as of April 2, 2012, or that will become exercisable within 60 days of that date.

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(8) Mr. Grant's ownership includes options to purchase 10,000 shares of our common stock which are exercisable as of April 2, 2012, or that will become exercisable within 60 days of that date.

(9) The address for Mr. Mayer is c/o Cerberus California, LLC, 11812 San Vicente Boulevard, Los Angeles, CA 90049.

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

Section 16(a) of the Exchange Act requires our directors and officers, and beneficial owners of more than 10% of our equity securities, to file initial reports of ownership and reports of changes in ownership with the SEC. Based solely on our review of the copies of such reports received by us with respect to transactions during 2011, or written representations from certain reporting persons, we believe that our directors, officers and persons who own more than 10% of our equity securities have complied with all applicable filing requirements for 2011, except as follows: (i) two Form 4s were filed late with respect to grants of restricted stock to Mr. Scott Phillips in connection with his appointment as principal accounting officer; (ii) a Form 4 was filed late with respect to the forfeiture of shares in payment of the tax liability associated with the vesting of restricted stock held by Mr. Goforth; (iii) a Form 4 with respect to the sales of stock purchase rights was filed late for each of Messrs. Adelman, Goforth, Judd and Phillips; and (iv) a Form 4 with respect to the exercise of stock purchase rights was filed late for each of Messrs. Adelman, Grant and Schumacher.

**COMPENSATION DISCUSSION AND ANALYSIS**

The Compensation Committee of our Board of Directors, referred to in this discussion as the Committee, is responsible for reviewing, establishing and approving the compensation of our named executive officers. Compensation paid to our Chief Executive Officer, Chief Financial Officer and the other named executive officers identified in the Summary Compensation Table is set forth under Compensation of Executive Officers below. The following discussion and analysis focuses on compensation to our named executive officers for 2011.

The Committee regularly consults with management regarding employee compensation matters. The Chief Executive Officer's compensation was primarily determined, and the material terms of his compensation arrangement are reflected in, his amended and restated employment agreement entered into on January 21, 2011. The terms of the amended and restated employment agreement are substantially similar to the terms of the employment agreement we entered into with Mr. Judd in 2008, and the agreement provides for the same base salary and bonus compensation levels. In promoting Mr. Judd to serve as our Chief Executive Officer in 2008, we established the terms of his employment agreement based on a review of the compensation he was receiving in his capacity as our President and Chief Operating Officer, the compensation necessary to hire a qualified chief executive officer from outside of the Company, as well as our review of the market data for chief executive officer compensation at comparator companies which was provided to the Committee by its outside compensation consultant, Hewitt Associates, in its 2008 compensation benchmarking survey. For further information regarding the terms of the Chief Executive Officer's employment, see Amended and Restated Employment Agreement with Chief Executive Officer below.

Our Chief Executive Officer makes compensation recommendations to the Committee for the other named executive officers. The Committee also considers market factors in making decisions about our compensation program. In this regard, in 2005, the Committee retained Hewitt Associates, now Meridian, to advise it on executive compensation matters and to provide compensation recommendations as to our executive officers. The Committee and the Company periodically discuss compensation issues and solicit compensation advice and data from Meridian. At the request of the Committee, Hewitt provided an updated compensation benchmarking study to the Company in October 2008. The following discussion and analysis, which was reviewed and approved by the Committee, analyzes the objectives and results for 2011 of our named executive officer compensation policies and procedures.

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### **Compensation Policies and Objectives**

Our primary goal is to establish a compensation program that serves the long-term interests of the Company and our stockholders by aligning management's interests with that of our stockholders through equity ownership and by promoting the attainment of certain individual and corporate goals. In addition, our compensation program is designed to attract and retain top quality executives with the qualifications necessary for the long-term financial success of the Company.

Our executive compensation program is based on the following principles:

Compensation decisions are driven by a pay-for-performance philosophy, which takes into account performance by both the Company and the individual;

Performance is determined with reference to pre-established goals, both with respect to the Company and the individual, which we believe enhances the individual executive's performance;

Where possible, a significant component of total direct compensation should consist of variable compensation;

Total compensation opportunity should be comparable to the median ranges in the marketplace within which we compete; and

Increased compensation can be earned through an individual's increased contribution to the Company.

Compensation programs in which our named executive officers participate are designed to be competitive with the compensation programs of companies with which we compete for executive talent in order to enhance our ability to attract and retain key executive leadership. In this regard, the Committee directed the Company to engage Hewitt Associates to perform a benchmark study of the Company's compensation structure in 2008. In evaluating our compensation program, the Committee considered the level of compensation paid to executive officers in comparable executive positions within a comparator group consisting of eighteen distribution companies and two building products companies selected by BlueLinx with annual revenues between \$645 million and \$10.8 billion. The companies within the group were selected based on size, industry focus and organizational status and we believe as a group they represent the appropriate comparable labor market for executive talent. This group comprised the following companies: Amcon Distributing Company; Andersons Inc.; Applied Industrial Technologies Inc.; Beacon Roofing Supply Inc.; Building Materials Holding Corporation; Builders FirstSource Inc.; Fastenal Company; GATX Corp.; Genuine Parts Company; Huttig Building Products Inc.; Interline Brands Inc.; MSC Industrial Direct; Nash Finch Co.; RSC Holdings Inc.; Rush Enterprises Inc.; United Rentals Inc.; Universal Forest Products; Watsco Inc.; Wesco International Inc.; and WW Grainger Inc.

Hewitt's comprehensive benchmarking study focused on a number of elements to compare the Company to companies within these comparator groups, including base salaries, target bonuses and actual bonuses paid, actual annual equity awards, total cash compensation, benefits and total compensation. The Company and the Committee reviewed information from these comparator companies and used the data as a reference point to assist them in establishing the compensation program for the Company, setting our executive officers' compensation and benefits to be competitive with those of executive officers in similar positions at these comparator companies and to achieve a balance of incentives to help achieve our performance objectives. Although the Committee does not tie executive compensation to a single reference benchmark or target within the comparator group, the Committee generally considers the 50<sup>th</sup> and 75<sup>th</sup> percentiles of companies within the comparator group. The benchmarking study is used as a comparative tool in the Committee's evaluation of the Company's executive compensation in relation to companies believed to represent the appropriate comparable labor market for executive talent.

The Committee periodically consults with Meridian on compensation issues and may periodically engage consultants in the future to advise on the ongoing competitiveness of our compensation programs as warranted. In addition, the Committee periodically reviews and revises salary ranges and total compensation programs to

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develop compensation ranges that it believes will position us within the same range as market salaries for similar positions in our industry based on market information obtained from consultation with Hewitt, informal market surveys, various trade group publications and other publicly available information.

At the 2011 Annual Meeting, our stockholders expressed their continued support of our executive compensation programs by approving the non-binding advisory vote on our executive compensation. More than 99% of votes cast supported our executive compensation policies and practices. During 2011, we reviewed our executive compensation programs in conjunction with business results and stockholder support of our executive compensation program. Following that review, we continue to believe that our executive compensation programs are designed to support the company and business strategies in concert with our compensation philosophy described above.

## **Elements of Compensation**

Compensation for our named executive officers consists of four general components:

Base salary;

Annual performance-based cash awards;

Long-term equity incentive compensation; and

Other perquisite and benefit programs.

The appropriate mix and amount of compensation for each named executive officer varies based on the level of the executive's responsibilities, as determined by the Committee in consultation with our Chief Executive Officer. The compensation structure for each of our named executive officers is largely established by his employment agreement. The Committee may increase any component of compensation provided by an employment agreement to any of our named executive officers. There is no established policy or formula for allocating any individual's total compensation between cash and non-cash, or between short-term and long-term incentives. This approach is designed to provide the Company with flexibility to respond to marketplace and individual factors in attracting and retaining executive talent and encouraging performance.

The Committee typically reviews and adjusts base salaries and awards of cash bonuses and equity-based compensation on an annual basis. Our Chief Executive Officer presents recommendations and proposals on compensation, which are developed in consultation with our Chief Administrative Officer and other Company representatives, to the Committee, including recommended base salaries, recommended structure, target levels and payout levels for the annual cash bonus program under the Company's short term incentive plan (STIP), and recommended equity awards to executive officers, and management's rationale for its recommendations. The Committee considers these recommendations before determining compensation.

### ***Base Salary***

Base salaries represent a fixed portion of named executive officer compensation and vary by job responsibility. We provide base salary because it is standard in the marketplace and provides a stable part of compensation to encourage retention. Named executive officer salaries generally are reviewed and approved annually by the Committee. Additionally, periodic salary adjustments are considered upon a promotion, change in job responsibility or when otherwise necessary for equitable reasons. The Chief Executive Officer's base salary was established in his employment agreement, and the Committee consults with the Chief Executive Officer regarding the salaries of the other named executive officers. The Committee then considers such matters and approves base salary as to the named executive officers. The Committee primarily considers the recommendations of the Chief Executive Officer, market data, a general review of the executive's compensation (individually and relative to the other executives), and the individual performance of the executive.

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As a result of the continued difficult economic environment and its impact on the Company's results from operations, the Committee decided to freeze the named executive officers' base salaries for 2011.

**Annual Bonuses**

We utilize cash bonuses as an incentive to promote achievement of individual and Company performance goals. This component of compensation places more emphasis on our annual financial performance and the potential rewards associated with future performance of the Company and the individual executive. Annual bonuses are determined based on agreements with the individual executive as well as pursuant to the Company's STIP. Cash incentives are designed to:

Support our strategic business objectives;

Promote the attainment of specific financial goals;

Reward achievement of specific performance objectives; and

Encourage teamwork.

Under the STIP, an annual bonus pool is established and funded based solely on performance as measured against established business and/or financial goals at different levels of the Company's operating structure. The Committee establishes the bonus pool based on Company performance. In general, the bonus pool is allocated to each participant based on the participant's target bonus percentage (a percentage of such participant's current base salary) and the extent to which the Company and/or such participant's operating group(s) meets the established business and/or financial goals. Each of the named executive officers is a participant in the STIP, and each of their annual bonuses are subject to adjustment by the Committee, in its discretion, based on the executive's individual performance and contribution to the Company during the year. The threshold, target and maximum bonus percentages for 2011 for each of the named executive officers as a percentage of each executive's base salary were as follows:

	Threshold	Target	Maximum
George R. Judd	50%	100%	200%
H. Douglas Goforth	32.5%	65%	130%
Dean A. Adelman	25%	50%	100%
Ned M. Bassil	32.5%	65%	130%

In January 2011, the Committee approved the STIP goals for 2011, which provide for cash incentives upon the achievement of pre-established corporate goals. At such time, the Committee established the financial goals used in establishing bonus targets for 2011 under the STIP.

Generally, the Committee sets the target levels for financial performance metrics for the STIP in alignment with the Company's strategic plan. In making the annual determination of the threshold, target and maximum levels, the Committee may consider specific circumstances facing the Company during the year. For 2011, 100% of a named executive officer's potential STIP award was based on corporate earnings before interest, tax, depreciation and amortization (EBITDA) targets. This objective is measured separately against a threshold, target and maximum goal. For 2011, these goals were as follows:

	Threshold (\$)	Target (\$) (In millions)	Maximum (\$)
EBITDA	0	4.6	30

We define EBITDA for these purposes as net earnings plus interest, taxes, depreciation and amortization, as adjusted for non-cash items and other items that are allowed at the discretion of the Committee. We define free cash flow as operating cash flow minus capital expenditures.



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For purposes of STIP calculations, during fiscal 2011 the Company achieved EBITDA of \$1.8 million, which was above the threshold payout level for the named executive officers. However, \$12.6 million of EBITDA was primarily due to real estate sales. Therefore, management made a recommendation to the Committee that it was not appropriate to compensate the named executive officers based on the Company's EBITDA performance for fiscal 2011. The Committee agreed with management's recommendation and the named executive officers were not awarded any bonus compensation under the Company's STIP in connection with fiscal 2011.

Officer	Base Salary (\$)	Target Bonus %	Total Target Payout (\$)	Portion of	Actual	Actual Total Payout (\$)
				Target Payout Related to EBITDA Goal (100%) (\$)	Related to Payout Related to EBITDA Goal (0%) (\$)	
George R. Judd	600,000	100	600,000	600,000	0	0
H. Douglas Goforth	375,000	65	243,750	243,750	0	0
Dean A. Adelman	315,000	50	157,500	157,500	0	0
Ned M. Bassil	400,000	65	260,000	260,000	0	0

For 2012, the Committee established the named executive officers' STIP financial performance objective as based solely on EBITDA. Due to the continued weak outlook for the housing market, we believe it will be a challenge to achieve the target financial goal in 2012 for funding of the STIP at its target funding level. The maximum financial goals were designed to be difficult to achieve, and we believe they will be.

**Long Term Equity Incentive Plan**

The purpose of our Long Term Equity Incentive Plans, or LTIP, is to provide an incentive to our employees to work towards the achievement of our long term performance goals. A further purpose of the LTIP is to provide a means through which we may better attract able individuals to become employees of the Company by providing these individuals with stock ownership. We also consider the program a key retention tool. For all of these reasons, we believe this component of compensation further advances and aligns the interests of the Company and its stockholders. LTIP grants are made annually. On May 29, 2007, the Compensation Committee resolved to set the date on which annual LTIP grants would be made to executive officers and certain members of management as the second Tuesday of each fiscal year. The Committee has the discretion to make additional LTIP grants at any time during the year. Such grants generally will be in connection with new hires or promotions within the Company.

In making decisions regarding long-term equity incentive awards for named executive officers, the Committee reviews the comparable equity award data for similar positions in our industry, market data and data from our compensation consultant, and also considers other relevant factors.

On January 12, 2011, the Committee awarded a total of 559,169 shares of restricted stock to the Company's executives, which included the following grants to the named executive officers: Mr. Judd (181,585 restricted shares); Mr. Goforth (97,776 restricted shares); and Mr. Adelman (83,808 restricted shares). On December 1, 2011, the Committee awarded a total of 200,000 shares of restricted stock to Mr. Bassil. The restricted stock awards vest three years from the date of the grant. The value of these awards was based on the market price of our common stock at the date of the grant. The Committee considered the total dollar value of each named executive officer's award when approving each grant.

Further information on equity ownership can be found below in Executive Compensation.



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### ***Defined Contribution Plan***

The Company historically provides retirement benefits to the named executive officers, including matching contributions, under the terms of its tax-qualified 401(k) defined contribution plan. In 2009, the Company suspended its matching contributions to the 401(k) plan for all employees until business conditions improve. This suspension continued in effect for 2011 and is expected to continue for 2012 for the named executive officers. The named executive officers participate in the plan on substantially the same terms as our other participating employees. We believe that these benefits are comparable to those provided by comparable companies. The Company does not maintain any defined benefit or supplemental retirement plans for its executive officers.

### ***Perquisites and Other Personal Benefits***

The Company provides the named executive officers with perquisites and other personal benefits that the Company believes are reasonable, competitive in the market and consistent with its overall compensation program to better enable the Company to attract and retain superior employees for key positions. The named executive officers generally are provided a car allowance, payment of certain club dues, life insurance and reimbursement for relocation expenses, if applicable. The Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers.

Costs of the perquisites and personal benefits described above for the named executive officers for 2011 that meet the threshold established by SEC regulations are included in the Summary Compensation Table in the All Other Compensation column. See Executive Compensation.

### ***Employment Agreements***

We use employment agreements to attract and/or retain executive officers to BlueLinx. We primarily serve the housing and remodeling industries which are historically cyclical industries. Employment agreements enhance our ability to attract and retain top executive talent by providing some degree of certainty in light of these major cycles. The Committee, with assistance from our human resources department and legal counsel both inside and outside of the Company, establish and negotiate the terms of the employment agreements. The Committee believes multi-year employment agreements are necessary to secure executive talent for the long-term benefit of the Company and our stockholders. The Committee further believes that not utilizing employment agreements would put us at a competitive disadvantage to our peers in recruiting executives. Our employment agreements also include confidentiality, non-competition and non-solicitation provisions, all for the benefit of the Company. Consistent with our compensation philosophy, the employment agreements provide for a significant component of each executive's annual compensation to be variable, as cash bonuses under our STIP are awarded based on Company performance against pre-established financial or operational goals. For example, no cash bonuses were paid to our named executive officers based on our fiscal 2011 financial performance. Additionally, the value of annual equity compensation is determined by our common stock price so our executives' interests are aligned with those of our stockholders in this regard.

### ***Amended and Restated Employment Agreement with Chief Executive Officer***

On January 21, 2011, we entered into an Amended and Restated Employment Agreement with George R. Judd, our Chief Executive Officer. The Amended and Restated Employment Agreement expires on January 20, 2013, except that it will be renewed automatically for an additional one-year period unless ninety days prior written notice is given by either party in advance of the expiration date of any such extended term. The Amended and Restated Employment Agreement provides that Mr. Judd will receive a base salary at the rate of \$600,000 per year. Mr. Judd shall also be eligible to receive an annual bonus pursuant to the terms of our annual bonus plan, with the annual bonus potential to be a target of 100% of his base salary up to a maximum of 200% of base salary, based upon satisfaction of performance goals and bonus criteria to be defined and approved by the Compensation Committee in advance for each fiscal year in accordance with the terms of the applicable bonus

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plan. In addition, the Amended and Restated Employment Agreement provides that Mr. Judd is eligible to participate in all benefit programs for which senior executives are generally eligible. The Committee reviewed the Hewitt Associates benchmark study and considered the level of compensation paid to chief executive officers within the comparator group of companies as a factor in establishing his compensation.

Under his Amended and Restated Employment Agreement, the Company may terminate Mr. Judd's employment for cause or without cause. If Mr. Judd's employment is terminated without cause or he resigns for good reason, the Amended and Restated Employment Agreement provides Mr. Judd with, among other things, payment equal to one time his annual base salary in effect immediately prior to the date of termination, plus one time the cash bonus amount equal to the target bonus amount Mr. Judd was eligible to receive for the fiscal year prior to the year of the termination of his employment. Such sum is payable in twelve equal monthly installments commencing on the earlier to occur of the first business day of the seventh month after the date of termination or Mr. Judd's death. The Amended and Restated Employment Agreement also contains confidentiality provisions, as well as a covenant not to compete during the employment term and continuing for a period of one year following his date of termination. The Amended and Restated Employment Agreement supercedes and replaces Mr. Judd's Employment Agreement with the Company dated October 29, 2008.

### ***Amended and Restated Employment Agreement with Chief Financial Officer***

On January 21, 2011, we entered into an Amended and Restated Employment Agreement with H. Douglas Goforth, our Senior Vice President, Chief Financial Officer and Treasurer. The Amended and Restated Employment Agreement expires on January 20, 2013, except that it will be renewed automatically for an additional one-year period unless ninety days prior written notice is given by either party in advance of the expiration date of any such extended term. The Amended and Restated Employment Agreement provides that Mr. Goforth's annual base salary shall be paid at the rate of \$375,000 per year. Mr. Goforth shall also be eligible to receive an annual bonus pursuant to the terms of the Company's annual bonus plan, with the annual bonus potential to be a target of 65% of his base salary up to a maximum of 130% of base salary, based upon satisfaction of performance goals and bonus criteria to be defined and approved by the Compensation Committee in advance for each fiscal year in accordance with the terms of the bonus plan. In addition, the Amended and Restated Employment Agreement provides that Mr. Goforth is eligible to participate in all benefit programs for which senior executives are generally eligible.

Mr. Goforth also received 60,000 restricted shares of the Company's common stock on February 18, 2008 as part of his incentive package to join the Company. The shares were issued pursuant to the Company's 2004 Long Term Equity Incentive Plan. The shares vested effective as of February 18, 2011. The Compensation Committee reviewed the Hewitt Associates benchmark study and considered the level of compensation paid to executive officers in comparable executive positions to Mr. Goforth within the comparator group of companies to establish his compensation under the Amended and Restated Employment Agreement.

Under his Amended and Restated Employment Agreement, the Company may terminate Mr. Goforth's employment for cause or without cause. If Mr. Goforth's employment is terminated without cause or he resigns for good reason, the Agreement provides Mr. Goforth with, among other things, payment equal to one time his annual base salary in effect immediately prior to the date of termination, plus one time the cash bonus amount equal to the target bonus amount Mr. Goforth was eligible to receive for the prior fiscal year. Such sum is payable in twelve equal monthly installments commencing on the earlier to occur of the first business day of the seventh month after the date of termination or Mr. Goforth's death. The Employment Agreement also contains confidentiality provisions, as well as a covenant not to compete during the employment term and continuing for a period of one year following his date of termination. The Amended and Restated Employment Agreement supercedes and replaces Mr. Goforth's Employment Agreement with the Company dated February 11, 2008.

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***Amended and Restated Employment Agreement with Chief Administrative Officer***

On January 21, 2011, we entered into an Amended and Restated Employment Agreement with Dean A. Adelman, our Chief Administrative Officer. The Amended and Restated Employment Agreement expires on January 20, 2013, except that it will be renewed automatically for an additional one-year period unless ninety days prior written notice is given by either party in advance of the expiration date of any such extended term. Mr. Adelman's annual base salary shall be paid at the rate of \$315,000 per year. Mr. Adelman shall also be eligible to receive an annual bonus pursuant to the terms of our annual bonus plan, with the annual bonus potential to be a target of 50% of his base salary up to a maximum of 100% of base salary, based upon satisfaction of performance goals and bonus criteria to be defined and approved by the Compensation Committee in advance for each fiscal year in accordance with the terms of the applicable bonus plan. In addition, the Amended and Restated Employment Agreement provides that Mr. Adelman is eligible to participate in all benefit programs for which senior executives are generally eligible. The Compensation Committee reviewed the Hewitt Associates benchmark study and considered the level of compensation paid to executive officers in comparable executive positions to Mr. Adelman within the comparator group of companies to establish his compensation under the Amended and Restated Employment Agreement.

Under his Amended and Restated Employment Agreement, the Company may terminate Mr. Adelman's employment for cause or without cause. If Mr. Adelman's employment is terminated without cause or he resigns for good reason, the Amended and Restated Employment Agreement provides Mr. Adelman with, among other things, payment equal to one time his annual base salary in effect immediately prior to the date of termination, plus one time the cash bonus amount equal to the target bonus amount Mr. Adelman was eligible to receive for the fiscal year prior to the year of the termination of his employment, payable in twelve equal monthly installments commencing on the earlier to occur of the first business day of the seventh month after the date of termination or Mr. Adelman's death. The Employment Agreement also contains confidentiality provisions, as well as a covenant not to compete during the employment term and continuing for a period of one year following his date of termination. The Amended and Restated Employment Agreement supercedes and replaces Mr. Adelman's Employment Agreement with the Company dated June 4, 2009.

***Employment Agreement with Chief Supply Chain Officer***

On October 31, 2011, we entered into an Employment Agreement with Ned M. Bassil, our new Senior Vice-President and Chief Supply Chain Officer. The Employment Agreement became effective on December 1, 2011 and expires on December 1, 2013, except that the Employment Agreement will be renewed automatically for successive additional one-year periods unless ninety days prior written notice is given by either party in advance of the expiration date of any such extended term. The Employment Agreement provides that Mr. Bassil will receive a base salary at the rate of \$400,000 per year. Mr. Bassil shall also be eligible to receive an annual bonus pursuant to the terms of our annual bonus plan, with the annual bonus potential to be a target of 65% of his base salary up to a maximum of 130% of base salary, based upon satisfaction of performance goals and bonus criteria to be defined and approved by the Compensation Committee in advance for each fiscal year in accordance with the terms of the applicable bonus plan. Upon Mr. Bassil commencing employment, Mr. Bassil received a payment of \$100,000 less applicable taxes. In addition, if Mr. Bassil is employed with the Company on the first anniversary of the effective date of his Employment Agreement, he will receive an additional payment of \$100,000 less applicable taxes. The Employment Agreement provides that Mr. Bassil is eligible to participate in all benefit programs for which senior executives are generally eligible.

Mr. Bassil also received 200,000 restricted shares of the Company's common stock on December 1, 2011 as part of his incentive package to join the Company. The shares were issued pursuant to the Company's 2006 Long Term Equity Incentive Plan. The shares vest over a three-year period commencing on the effective date of his Employment Agreement.

Under the Employment Agreement, the Company may terminate Mr. Bassil's employment for cause or without cause. If Mr. Bassil's employment is terminated without cause or he resigns for good reason, the

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Employment Agreement provides Mr. Bassil with, among other things, payment equal to one time his annual base salary in effect immediately prior to the date of termination, plus one time the amount equal to the target bonus for Mr. Bassil for the fiscal year prior to the year of the termination of his employment, payable in twelve equal monthly installments commencing on the earlier to occur of the first business day of the seventh month after the date of termination or Mr. Bassil's death. The Employment Agreement also contains confidentiality provisions, as well as a covenant not to compete during the employment term and continuing for a period of one year following his date of termination in the event Mr. Bassil is terminated without cause, he voluntarily resigns or resigns for good reason, or the employment period ends.

### **Risk Analysis of Compensation Program**

The Compensation Committee has reviewed our compensation program to determine if the elements encourage excessive or unnecessary risk taking that reasonably could have a material adverse effect on the Company. There is no objective way to measure risk resulting from a company's compensation program; therefore, such analysis is subjective in nature. After reviewing our compensation program, the Compensation Committee believes that the only elements that could incentivize risk taking are the annual cash incentives under the STIP and awards made under the LTIP with payouts dependent on the achievement of certain performance levels by the Company. Since base salaries are fixed, they do not encourage risk taking. The same is true of awards under the LTIP that include only time-based vesting. Based upon the value of each of these elements to the overall compensation mix and the relative value each has to the other, the Compensation Committee believes that the Company's compensation program is appropriately balanced. The Compensation Committee believes that the mix of short- and long-term awards minimizes risks that may be taken, as any risks taken for short-term gains ultimately could jeopardize not only the Company's ability to meet the long-term performance objectives, but also appreciation in the Company's stock price. In addition, the Compensation Committee believes that the establishment of reasonable performance goals, the capping of payouts and the avoidance of any steep payout changes at the various payout levels of the performance-based STIP and LTIP compensation components further reduce any risk-taking incentive that may be associated with these compensation elements. As a result, the Compensation Committee does not believe that our compensation program incentivizes unreasonable risk taking.

### **Internal Revenue Code Section 162(m)**

In making compensation decisions, the Compensation Committee also considers the potential impact of Section 162(m) of the Internal Revenue Code of 1986, as amended (Section 162(m)). Section 162(m) disallows a tax deduction for any publicly held corporation for individual compensation exceeding \$1 million in any taxable year for the Chief Executive Officer and the other executive officers, other than compensation that is performance-based under a plan that is approved by the stockholders of the Company and meets other technical requirements. However, the Committee reserves the right to provide for compensation to executive officers that may not be deductible if it believes such compensation is in the best interests of the Company and its stockholders.

## **COMPENSATION COMMITTEE REPORT**

The Compensation Committee reviewed and discussed the Compensation Discussion and Analysis set forth above with management. Based on such review and discussions, the Compensation Committee recommended to the Board that such Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company's 2011 Annual Report on Form 10-K.

Richard Warner, Chairman

Howard Cohen

Alan Schumacher

**Table of Contents****COMPENSATION OF EXECUTIVE OFFICERS****2011 SUMMARY COMPENSATION TABLE**

The following table sets forth the cash and non-cash compensation for 2011, 2010 and 2009, awarded to or earned by our Chief Executive Officer, our Chief Financial Officer, our Chief Administrative Officer and our Chief Supply Chain Officer. We refer to these individuals as our named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Non-Equity			Total (\$)
				Stock Awards \$(1)	Incentive Plan Comp. \$(2)	All Other Comp. (\$)	
George R. Judd, President and Chief Executive Officer(3)	2011	600,000		691,839		22,542	1,314,381
	2010	600,000		631,872		16,089	1,247,961
	2009	600,000		603,794		17,275	1,221,069
H. Douglas Goforth, CFO & Treasurer(4)	2011	375,000		372,527		16,321	763,848
	2010	375,000		368,592		18,537	762,129
	2009	326,923		352,214		16,530	695,667
Dean A. Adelman, Chief Administrative Officer(5)	2011	315,000		319,308		6,960	641,268
	2010	315,000		315,936		2,047	632,983
	2009	315,000		301,897		3,030	619,927
Ned M. Bassil, Chief Supply Chain Officer(6)	2011	26,154		290,000		100,000	416,154

- (1) The amounts in this column were calculated based on the grant date fair value of our common stock, in accordance with FASB ASC Topic 718. Stock awards generally vest in various increments over multi-year periods. As a result, this grant date fair value may not be indicative of the ultimate value the executive may receive under these grants.
- (2) For fiscal 2011, the Committee determined that the Company's EBITDA achievement fell below the threshold payout levels for the named executive officers. Management made a recommendation to the Committee that it was not appropriate to compensate the named executive officers based on the Company's EBITDA achievement for fiscal 2011. The Committee agreed with management's recommendation and the named executive officers were not awarded any bonus compensation under the STIP based on the Company's financial performance in fiscal 2011.
- (3) Mr. Judd's All Other Compensation for 2011 includes an auto allowance of \$7,620; a club dues allowance of \$6,000; tax preparation services of \$2,970 and health benefits paid by the Company of \$5,951.
- (4) Mr. Goforth's All Other Compensation for 2011 includes an auto allowance of \$7,500; a club dues allowance of \$6,000 and health benefits paid by the Company of \$2,821.
- (5) Mr. Adelman's All Other Compensation for 2011 includes health benefits of \$5,985 and tax preparation services of \$975 paid by the Company.
- (6)

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Mr. Bassil's salary for 2011 represents the pro rata share of his \$400,000 annual salary between the commencement date of his employment with the Company and December 31, 2011. The amount set forth under "All Other Compensation" for 2011 represents the amount earned by Mr. Bassil in accordance with his employment agreement upon commencement of his employment with the Company. We have only presented one year of compensation for Mr. Bassil as his employment with the Company did not begin until December of 2011.

**Table of Contents****GRANTS OF PLAN-BASED AWARDS FOR 2011**

The table below sets forth information regarding all grants of awards made to the named executive officers during 2011. For further information regarding the terms of certain of these grants, see "Compensation Discussion and Analysis" above.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards # of Shares	All Other Option Awards # of Underlying Option	Exercise or Base Price of Option (\$/sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Max (\$)	Threshold (#)	Target (#)	Max (#)				
George R. Judd	N/A 1/12/11	300,000	600,000	1,200,000				N/A 181,585			N/A 691,839
Howard D. Goforth	N/A 1/12/11	121,875	243,750	487,500				N/A 97,776			N/A 372,527
Dean A. Adelman	N/A 1/12/11	78,750	157,500	315,000				N/A 83,808			N/A 319,308
Ned M. Bassil	N/A 12/1/11	N/A	N/A	N/A				N/A 200,000			N/A 290,000

- (1) These columns show the range of possible payouts which were targeted for 2011 performance under the Company's STIP as described in the section titled "Annual Bonuses" in the Compensation Discussion and Analysis and are based on the named executive officer's base salary for 2010. The Company recommended and the Committee agreed no bonuses would be paid to the named executive officers based on the Company's financial results for 2011.
- (2) The restricted stock grants disclosed in the table were all issued pursuant to the Company's 2004 or 2006 LTIP. Each of the restricted stock awards cliff vest three years from the date of grant.

**2011 OUTSTANDING EQUITY AWARDS AT YEAR END**

The following table sets forth certain information with respect to unexercised stock options and unvested shares of restricted stock held on December 31, 2011 by each of our named executive officers.

Name	Option Awards				Number of Shares of Stock That Have Not Vested	Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date		Market Value of Shares of Stock That Have Not Vested (\$)(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Payout Value of Unearned Shares, Units or Other Rights That Have Not	Equity Incentive Plan Awards: Payout Value of Unearned Shares, Units or Other Rights That Have Not

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						<b>Vested \$(1)</b>
George R. Judd	78,647	14.01	6/5/16	723,936	1,085,904	
Howard D. Goforth				387,512	581,268	
Dean A. Adelman	14,000	10.29	11/9/15	333,640	500,460	
	21,169	14.01	6/5/16			
Ned M. Bassil				200,000	300,000	

(1) Computed based on the closing price of our common stock on December 31, 2011 of \$1.50.



**Table of Contents****OPTION EXERCISES AND STOCK VESTED**

The following table sets forth information with respect to shares of restricted stock that vested in 2011. No stock options held by the named executive officers were exercised in 2011.

	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
George R. Judd	32,543	108,694
H. Douglas Goforth	60,000	225,000
Dean A. Adelman	8,760	29,258
Ned M. Bassil		

**Payments upon Certain Events of Termination or Change-in-Control**

As described above under Employment Agreements, certain of our named executive officers are entitled to receive payments in connection with the termination of their employment by the Company in certain circumstances. Additionally, our named executive officers hold equity awards issued pursuant to our 2004 LTIP and our 2006 LTIP. Options and restricted stock issued pursuant to these plans generally vest automatically upon a change in control of the Company.

The following table describes the estimated present value of unvested restricted stock awards that would have immediately vested in the event that the named executive officer's employment was terminated by reason of death or disability on December 31, 2011 or if a change in control of the Company occurred on such date. All outstanding option awards held by the named executive officers were fully vested at December 31, 2011.

	Value of	
	Restricted Stock(1)	Total(1)
George R. Judd	\$ 1,085,904	\$ 1,085,904
H. Douglas Goforth	\$ 581,268	\$ 581,268
Dean A. Adelman	\$ 500,460	\$ 500,460
Ned M. Bassil	\$ 300,000	\$ 300,000

(1) Computed based on the closing price of our common stock on December 31, 2011 of \$1.50.

In addition to accelerated vesting of outstanding equity awards upon a change in control, our named executive officers are entitled to receive certain other payments in connection with certain termination events specified in their employment agreements. As described above under Compensation Disclosure & Analysis Employment Agreements, in the case of Messrs. Judd, Goforth and Adelman, any of the Company's obligations to make cash payments following the termination of their respective employment is contingent upon the executive complying with the restrictive covenants contained in their respective employment agreements. These restrictive covenants prohibit, during periods defined in the agreements and subject to certain limited exceptions, (i) competing with the Company, (ii) employing or soliciting Company employees, (iii) interfering with Company relationships with its customers or vendors and (iv) disclosing or using in an unauthorized manner any of the Company's confidential or proprietary information. These restrictive covenants generally limit the employee's competitive activities for a period of one year following the later of the expiration or termination of employment under the employment agreement.

In the event that any of the named executive officers' employment is terminated by the Company for cause, we are only obligated to pay the executive his salary and provide the executive with fringe benefits through the date of termination.

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The following table describes the estimated present value of payments that would have been due to the named executive officers in the event that their employment was terminated by the Company due to a termination without cause (as defined in the employment agreement) or by the executive for good reason (as defined in the employment agreement) and that such termination occurred on December 31, 2011. Such amounts would be payable pursuant to the terms of their agreements with the Company as described in the footnotes to the table as well as above under Employment Agreements.

	<b>Salary and Bonus</b>	<b>Continuing Medical Coverage</b>	<b>Outplacement Services Allowance</b>
George R. Judd	\$ 1,200,000	\$ 19,533	\$ 25,000
H. Douglas Goforth	\$ 618,750	\$ 19,900	\$ 25,000
Dean A. Adelman	\$ 472,500	\$ 12,259	\$ 25,000
Ned. M. Bassil	\$ 660,000	\$ 17,522	\$ 25,000

**DIRECTOR COMPENSATION FOR 2011**

Shown below is information concerning the compensation for each member of the Board for 2011. Mr. Judd's compensation is reported above in the 2011 Summary Compensation Table.

<b>Name</b>	<b>Fees Earned</b>			<b>Total (\$)</b>
	<b>or Paid in Cash (\$)(1)</b>	<b>Stock Awards (\$)(2)</b>	<b>All Other Compensation (\$)</b>	
Howard S. Cohen(3)	240,000		21,918(4)	261,918
Richard S. Grant(5)	80,000	10,672		90,672
Charles H. McElrea	68,750			68,750
Steven F. Mayer				
Alan H. Schumacher(6)	105,000	16,006		121,006
Robert G. Warden				
M. Richard Warner				
Richard B. Marchese(7)	53,750	10,672		64,422
Mark A. Suwyn	47,500			47,500

- (1) Our directors who are not current employees of the Company, current employees or members of Cerberus' operations team, or the Chairman of our Board, referred to as our outside directors, receive an annual director's fee of \$50,000. The Chairman of our Board receives an annual chairman's fee of \$240,000 in consideration of the additional time and commitment attendant to the duties of the position of Chairman of the Board. In addition, each outside director receives a fee of \$1,250 for each directors' meeting attended. Outside directors also receive a fee of \$20,000 for serving as chairperson of a committee or \$10,000 for being a member of a committee. In an effort to preserve cash, for 2012 all of the directors have elected to receive shares of restricted stock (which will vest one year from the date of grant) in lieu of payment of cash annual director's or chairman's fees, as applicable. Other than our Chairman of the Board, directors who are currently employed by the Company or Cerberus, or who are members of Cerberus' operations team, do not receive additional consideration for serving as directors, except that all directors are entitled to reimbursement for travel and out-of-pocket expenses in connection with their attendance at board and committee meetings.
- (2) The amounts in this column were calculated based on the grant date fair value of our common stock, in accordance with FASB ASC Topic 718. Stock awards generally vest in various increments over multi-year periods. As a result, this grant date fair value may not be indicative of the ultimate value the executive may receive under these grants.

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- (3) Mr. Cohen serves as non-executive Chairman of the Board. At December 31, 2011, Mr. Cohen held options to acquire 750,000 shares of common stock.

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- (4) Represents value of perquisites relating to the payment of country-club dues, an executive physical exam and tax preparation services provided to Mr. Cohen. Beginning in 2012, perquisites other than an executive physical exam no longer will be provided.
  
- (5) Mr. Grant serves as a member of the Audit Committee of the Board. At December 31, 2011, Mr. Grant held 2,801 shares of restricted stock, and fully vested options to purchase 10,000 shares of the Company's common stock.
  
- (6) Mr. Schumacher serves as the Chairman of the Audit Committee of the Board and as a member of the Compensation Committee of the Board of Directors. At December 31, 2011, Mr. Schumacher held 4,201 shares of restricted stock.
  
- (7) Mr. Marchese served as a member of the Audit Committee of the Board through May 19, 2011. Subsequent to Mr. Marchese's resignation, he forfeited the 2,801 shares of restricted stock granted to him in January of 2011.

**Compensation Committee Interlocks and Insider Participation**

Messrs. Cohen, Schumacher and Warner are the current members of the Compensation Committee. From January 2, 2011 through May 19, 2011, our Compensation Committee consisted of the following individuals: Mark Suwyn, Alan Schumacher and Richard Marchese. Mr. Cohen served as our interim Chief Executive Officer from March 2008 through October 2008 and as our Executive Chairman from March 2008 through March 2009, and is an advisor to Cerberus. Mr. Warner was a consultant for Cerberus until June 2011. Mr. Suwyn was formerly an advisor to Cerberus.

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**AUDIT COMMITTEE REPORT**

The Audit Committee is composed of independent directors as required by and in compliance with the listing standards of the NYSE. The Audit Committee operates under a written charter which is posted on the Company's website at [www.bluelinxco.com](http://www.bluelinxco.com). The role of the Audit Committee is to assist the Board in its oversight of the integrity of the Company's financial reporting process and compliance with legal and regulatory requirements. The Audit Committee reviews the Company's financial reporting process on behalf of the Board. The Company's management is responsible for the preparation, presentation, and integrity of the Company's financial statements; accounting and financial reporting principles; establishing and maintaining disclosure controls and procedures and establishing and maintaining internal control over financial reporting. The independent registered public accounting firm is responsible for performing an independent audit of the consolidated financial statements and internal control over financial reporting and expressing an opinion on the conformity of those financial statements and internal control over financial reporting with United States generally accepted accounting principles and the standards of the Public Company Accounting Oversight Board.

The Audit Committee held eight meetings during the year. The Audit Committee met with management periodically during the year to consider the adequacy of the Company's internal controls and the objectivity of its financial reporting. The Audit Committee discussed these matters with the Company's independent registered public accounting firm and with the appropriate financial personnel. The Audit Committee also met privately with the independent registered public accounting firm, which has unrestricted access to the Audit Committee. The Audit Committee of the Board of Directors has reviewed and discussed the Company's audited financial statements as of and for the fiscal year ended December 31, 2011, with management and the Company's independent registered public accounting firm. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed under auditing standards generally accepted in the United States, including those matters set forth in Statement on Auditing Standards No. 61, as amended (*Communication with Audit Committees*), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The independent registered public accounting firm has provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountants' communications with the Audit Committee concerning independence, and the Audit Committee has also discussed with the independent registered public accounting firm its independence. The Audit Committee has concluded that the independent registered public accounting firm is independent from the Company and its management.

Based on the reports and discussions described above, the Audit Committee has recommended to the Board that the Company's audited financial statements be included in its annual report on Form 10-K for the fiscal year ended December 31, 2011, for filing with the SEC.

Respectfully Submitted by:

The Audit Committee of the

Board of Directors:

Alan Schumacher, Chairman

Richard Grant

Charles McElrea

*The foregoing report shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such Acts.*

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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

**Review and Approval or Ratification of Related Person Transactions**

Our legal department and Corporate Secretary are primarily responsible for identifying and reviewing relationships and transactions in which the Company and our directors, executive officers, certain of our stockholders or their immediate family members are participants to determine whether any of these related persons had or will have a direct or indirect material interest. In order to identify potential related person transactions, our legal department annually prepares and distributes to all directors and executive officers a written questionnaire which includes questions intended to elicit information about any related person transactions. Information regarding transactions with related persons or any violation of policy, including transactions involving a potential conflict of interest in violation of our Code of Ethical Conduct, may be anonymously reported by employees through our Business Conduct and Ethics Hotline.

If a related person transaction is identified by the legal department as one which must be reported in our Annual Report on Form 10-K or our Proxy Statement, as applicable, pursuant to applicable SEC regulations, we present the transaction to the Audit Committee for its review and approval or ratification. In evaluating related person transactions, our Audit Committee members apply the same standards of good faith and fiduciary duty they apply to their general responsibilities as a committee of the Board and as individual directors. The Audit Committee may approve a related person transaction when, in its good faith judgment, the transaction is in the best interests of the Company.

Cerberus Capital Management, L.P., our equity sponsor, retains consultants that specialize in operations management and support and who provide Cerberus with consulting advice concerning portfolio companies in which funds and accounts managed by Cerberus or its affiliates have invested. From time to time, Cerberus makes the services of these consultants available to Cerberus portfolio companies. We believe that the terms of these consulting arrangements are favorable to us, or, alternatively, are materially consistent with those terms that would have been obtained by us in an arrangement with an unaffiliated third party. We have normal service, purchase and sales arrangements with other entities that are owned or controlled by Cerberus. We believe that these transactions are not material to our results of operations or financial position.

Other than the transactions discussed above, for the last fiscal year there has not been, nor is there currently proposed, any transaction, as defined by the SEC:

to which we are or will be a participant;

in which the amount involved exceeded or will exceed \$120,000; and

in which any related person, as defined by the SEC, had or will have a direct or indirect material interest.

**Non-Independent Directors**

We believe that, as of the date of our Annual Meeting, five of the current members of our Board do not meet the independence standards promulgated under the listing standards of the NYSE. Four of the current members of our Board are either current or former employees of or advisors to Cerberus. Messrs. Mayer and Warden are currently employed by Cerberus and Messrs. Warner and Cohen are advisors to Cerberus. Mr. Judd is the Company's President and Chief Executive Officer.

**CORPORATE GOVERNANCE GUIDELINES AND CODE OF ETHICS**

Our corporate governance guidelines, as in effect from time to time, may be found on our website, [www.bluelinxco.com](http://www.bluelinxco.com). Our Board intends to review its corporate governance principles, committee charters and other aspects of governance as often as necessary to remain current in all aspects of corporate governance for similarly situated companies.

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Our Board has adopted a policy to self-evaluate its performance on an annual basis.

Our code of conduct and ethics, applicable to all employees and officers as well as members of our Board, as in effect from time to time, may be found on our website, [www.bluelinxco.com](http://www.bluelinxco.com). Any amendment to or waiver of our code of conduct and ethics for any Board member, our Chief Executive Officer, our Chief Financial Officer as well as any other executive officer will be disclosed on our website, [www.bluelinxco.com](http://www.bluelinxco.com). Additionally, our corporate governance guidelines and code of conduct and ethics are available in print to any stockholder who requests them by writing to BlueLinx Holdings Inc., attn: Corporate Secretary, 4300 Wildwood Parkway, Atlanta, Georgia 30339.

Our code of conduct and ethics provides a procedure by which employees and others may directly or anonymously, through a secure toll-free phone number, inform our management and/or the Audit Committee of any alleged violation of our code of conduct and ethics, including any allegations of accounting fraud. Reporting employees are protected from retaliation and any other form of adverse action.

### **SUBMISSION OF STOCKHOLDER PROPOSALS**

We currently expect to hold our 2012 annual meeting of stockholders in May 2012. There are two different deadlines for submitting stockholder proposals for the 2012 meeting. First, if you wish to have a proposal considered for inclusion in next year's proxy statement, you must submit the proposal in writing so that we receive it by December 16, 2012. Proposals should be addressed to our principal executive offices, BlueLinx Holdings Inc., attn: Corporate Secretary, 4300 Wildwood Parkway, Atlanta, Georgia 30339. If you submit a proposal, it must comply with applicable laws, including Rule 14a-8 of the Exchange Act.

In addition, our bylaws provide that any stockholder wishing to nominate a candidate for director or to propose any other business at the 2012 annual meeting must give us timely written notice. This notice must comply with applicable laws and our bylaws. Copies of our bylaws are available to stockholders free of charge on request to our principal executive offices, BlueLinx Holdings Inc., attn: Corporate Secretary, 4300 Wildwood Parkway, Atlanta, Georgia 30339. To be timely, notice shall be delivered to our secretary before February 16, 2013, but no earlier than January 17, 2013; provided, that, in the event the date of the 2013 annual meeting is more than 30 days before or more than 70 days after the anniversary date of the 2012 annual meeting, notice by the stockholder must be delivered no earlier than 120 days before the 2013 annual meeting and no later than the later of 90 days before the 2013 annual meeting or 10 days following the day on which we make public announcement of the date of such meeting. The public announcement of an adjournment or postponement of an annual meeting of stockholders shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

### **DELIVERY OF PROXY MATERIALS**

To reduce the expenses of delivering duplicate proxy materials to stockholders, we are relying upon SEC rules that permit us to deliver only one proxy statement and annual report to multiple stockholders who share an address, unless we receive contrary instructions from any stockholder at that address. All stockholders sharing an address will continue to receive separate proxy cards based on their registered ownership of our common stock. Any stockholder sharing such an address who does not receive an individual proxy statement and annual report may write or call us as specified below and we will promptly send the materials to the stockholder at no cost. For future meetings, a stockholder may request separate copies of our proxy statement and annual report or request that we only send one set of these materials if the stockholder is receiving multiple copies, by writing to the Board of Directors, in care of our Corporate Secretary, BlueLinx Holdings Inc., 4300 Wildwood Parkway, Atlanta, Georgia 30339, or by telephoning the Company at 770-953-7000.

**Amended and Restated**  
**BlueLinx Holdings Inc. 2006**  
**Long-Term Equity Incentive Plan**

(Restated and conformed solely for purposes of presentation  
in this Proxy Statement to reflect the proposed amendments  
described in Proposal 3)



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**ARTICLE 1**

**ESTABLISHMENT, PURPOSE, AND DURATION**

1.1 Establishment. BlueLinx Holdings Inc., a Delaware corporation and its successors (hereinafter referred to as the Company ), establishes an incentive compensation plan to be known as the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan (hereinafter referred to as the Plan ), as set forth in this document.

This Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards, and Other Stock-Based Awards.

This Plan shall become effective upon shareholder approval (the Effective Date ) and shall remain in effect as provided in Section 1.3 hereof.

1.2 Purpose of this Plan. The purpose of this Plan is to provide a means whereby Employees and Directors of the Company develop a sense of proprietorship and personal involvement in the development and financial success of the Company, and to encourage them to devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its shareholders. A further purpose of this Plan is to provide a means through which the Company may attract able individuals to become Employees or serve as Directors of the Company and to provide a means whereby those individuals can acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company.

1.3 Duration of this Plan. Unless sooner terminated as provided herein, this Plan shall terminate ten (10) years from the Effective Date. After this Plan is terminated, no Awards may be granted but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and this Plan s terms and conditions. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten (10) years after the earlier of: (a) adoption of this Plan by the Board, or (b) the Effective Date.

**ARTICLE 2**

**DEFINITIONS**

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

2.1 Affiliate shall mean any corporation or other entity (including, but not limited to, a partnership or a limited liability company) that is affiliated with the Company through stock or equity ownership or otherwise, and is designated as an Affiliate for purposes of this Plan by the Committee. For purposes of granting stock options or stock appreciation rights, an entity may not be considered an Affiliate if it results in noncompliance with Code Section 409A.

2.2 Annual Award Limit or Annual Award Limits have the meaning set forth in Section 4.3.

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2.3 Award means, individually or collectively, a grant under this Plan of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards, or Other Stock-Based Awards, in each case subject to the terms of this Plan.

2.4 Award Agreement or Agreement means either: (i) a written agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award granted under this Plan, or (ii) a written statement issued by the Company to a Participant describing the terms and provisions of such Award, including any amendment or modification thereof. The Committee may provide for the use of electronic, Internet, or other nonpaper Award Agreements, and the use of electronic, Internet, or other nonpaper means for the acceptance thereof and actions thereunder by a Participant.

2.5 Beneficial Owner or Beneficial Ownership shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

2.6 Board or Board of Directors means the Board of Directors of the Company.

2.7 Cash-Based Award means an Award, denominated in cash, granted to a Participant as described in Article 10.

2.8 Cerberus means Cerberus Capital Management, L.P., or any of its Affiliates.

2.9 Change in Control means any of the following events:

(a) The acquisition by any individual, entity, or group (a Person ), including any person within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, of beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act, of twenty percent (20%) or more of either: (i) the then outstanding shares of common stock of the Company (the Outstanding Company Common Stock ), or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the Outstanding Company Voting Securities ); excluding, however, the following: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion, or exchange privilege unless the security being so exercised, converted, or exchanged was acquired directly from the Company); (B) any acquisition by the Company; (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii), and (iii) of subsection (c) of this Section 2.9; provided, however, that no Change in Control shall be deemed to occur if Cerberus continues to own a larger voting interest than any such Person.

(b) Individuals who, as of the Effective Date, constitute the Board of Directors (the Incumbent Board ) cease for any reason to constitute at least a majority of such Board; provided that any individual who becomes a director of the Company subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a director of the Company as a result of an actual or threatened election contest, as such terms are used in

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Rule 14a-11 of Regulation 14A promulgated under the Exchange Act, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(c) Consummation of a reorganization, merger, or consolidation of the Company or sale or other disposition of all or substantially all of the assets of the Company (a Corporate Transaction ); excluding, however, a Corporate Transaction pursuant to which: (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Company Stock and the Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than sixty percent (60%) of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be; (ii) no Person (other than: the Company; any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, thirty percent (30%) or more of the Outstanding Company Common Stock or the Outstanding Company Voting Securities, as the case may be) will beneficially own, directly or indirectly, thirty percent (30%) or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of directors; and (iii) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) Approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company.

2.10 Code means the U.S. Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations thereunder and any successor or similar provision.

2.11 Committee means the Compensation Committee of the Board or a subcommittee thereof, or any other committee designated by the Board to administer this Plan. The members of the Committee shall be appointed from time to time by and shall serve at the discretion of the Board. If the Committee does not exist or cannot function for any reason, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee.

2.12 Company means BlueLinx Holdings Inc., a Delaware corporation, and any successor thereto as provided in Article 20 herein.

2.13 Covered Employee means any key Employee who is or may become a Covered Employee, as defined in Code Section 162(m), and who is designated by the Committee as a Covered Employee under this Plan for such applicable Performance Period.

2.14 Director means any individual who is a member of the Board of Directors of the Company.

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2.15 Effective Date means May 12, 2006.

2.16 Employee means any individual designated as an employee of the Company, its Affiliates, and/or its Subsidiaries on the payroll records thereof. 2.17 Exchange Act means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.17 Fair Market Value or FMV means a price that is based on the opening, closing, actual, high, low, or average selling prices of a Share reported on the New York Stock Exchange or other established stock exchange (or exchanges) on the applicable date, the preceding trading day, the next succeeding trading day, or an average of trading days, as determined by the Committee in its discretion. Unless the Committee determines otherwise as provided in the Award Agreement, Fair Market Value shall be deemed to be equal to the closing price of a Share on the most recent date on which Shares were publicly traded. In the event Shares are not publicly traded at the time a determination of their value is required to be made hereunder, the determination of their Fair Market Value shall be made by the Committee in such manner as it deems appropriate, provided that in the case of stock options and stock appreciation rights, such determination shall be made in compliance with Code Section 409A. Such definition(s) of FMV shall be specified in each Award Agreement and may differ depending on whether FMV is in reference to the grant, exercise, vesting, settlement, or payout of an Award.

2.18 Full-Value Award means an Award other than an Award in the form of an ISO, NQSO, or SAR, and which is settled by the issuance of Shares.

2.19 Grant Price means the price established at the time of grant of an SAR pursuant to Article 7, used to determine whether there is any payment due upon exercise of the SAR.

2.20 Incentive Stock Option or ISO means an Option to purchase Shares granted under Article 6 to an Employee that is designated as an Incentive Stock Option and that is intended to meet the requirements of Code Section 422, or any successor provision.

2.21 Insider shall mean an individual who is, on the relevant date, an officer or Director of the Company, or a more than ten percent (10%) Beneficial Owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Board in accordance with Section 16 of the Exchange Act.

2.22 Key Employee means an Employee who owns more than 10% of the total combined voting power of all classes of stock of the Company, determined at the time an Option is proposed to be granted.

2.23 Nonemployee Director means a Director who is not an Employee.

2.24 Nonemployee Director Award means any NQSO, SAR, or Full-Value Award granted, whether singly, in combination, or in tandem, to a Participant who is a Nonemployee Director pursuant to such applicable terms, conditions, and limitations as the Board or Committee may establish in accordance with this Plan.

2.25 Nonqualified Stock Option or NQSO means an Option that is not intended to meet the requirements of Code Section 422, or that otherwise does not meet such requirements.

2.26 Option means an Incentive Stock Option or a Nonqualified Stock Option, as described in Article 6.

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- 2.27 Option Price means the price at which a Share may be purchased by a Participant pursuant to an Option.
- 2.28 Other Stock-Based Award means an equity-based or equity-related Award not otherwise described by the terms of this Plan, granted pursuant to Article 10.
- 2.29 Participant means any eligible individual as set forth in Article 5 to whom an Award is granted.
- 2.30 Performance-Based Compensation means compensation under an Award that is intended to satisfy the requirements of Code Section 162(m) for certain performance-based compensation paid to Covered Employees. Notwithstanding the foregoing, nothing in this Plan shall be construed to mean that an Award which does not satisfy the requirements for performance-based compensation under Code Section 162(m) does not constitute performance-based compensation for other purposes, including Code Section 409A.
- 2.31 Performance Measures means measures as described in Article 12 on which the performance goals are based and which are approved by the Company's shareholders pursuant to this Plan in order to qualify Awards as Performance-Based Compensation.
- 2.32 Performance Period means the period of time during which the performance goals must be met in order to determine the degree of payout and/or vesting with respect to an Award.
- 2.33 Performance Share means an Award under Article 9 herein and subject to the terms of this Plan, denominated in Shares, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.
- 2.34 Performance Unit means an Award under Article 9 herein and subject to the terms of this Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.
- 2.35 Period of Restriction means the period during which Restricted Stock or Restricted Stock Units are subject to a substantial risk of forfeiture (based on the passage of time, the achievement of performance goals, or upon the occurrence of other events as determined by the Committee, in its discretion), as provided in Article 8.
- 2.36 Plan means the BlueLinx Holdings, Inc. 2006 Long-Term Incentive Plan.
- 2.37 Plan Year means the calendar year.
- 2.38 Restricted Stock means an Award granted to a Participant pursuant to Article 8.
- 2.39 Restricted Stock Unit means an Award granted to a Participant pursuant to Article 8 under which no Shares are actually awarded to the Participant on the date of grant.
- 2.40 Share means a share of common stock of the Company, no par value per share.
- 2.41 Stock Appreciation Right or SAR means an Award, designated as an SAR, pursuant to the terms of Article 7 herein.
- 2.42 Subsidiary means any corporation or other entity, whether domestic or foreign, in which the Company has or obtains, directly or indirectly, a proprietary interest of more than fifty percent (50%) by reason of stock ownership or otherwise.

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**ARTICLE 3**

**ADMINISTRATION**

3.1 **General.** The Committee shall be responsible for administering this Plan, subject to this Article 3 and the other provisions of this Plan. The Committee may employ attorneys, consultants, accountants, agents, and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions, or valuations of any such individuals. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Participants, the Company, and all other interested individuals.

3.2 **Authority of the Committee.** The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of this Plan and any Award Agreement or other agreement or document ancillary to or in connection with this Plan, to determine eligibility for Awards and to adopt such rules, regulations, forms, instruments, and guidelines for administering this Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including the terms and conditions set forth in Award Agreements, granting Awards as an alternative to or as the form of payment for grants or rights earned or due under compensation plans or arrangements of the Company, construing any ambiguous provision of the Plan or any Award Agreement, and, subject to Article 18, adopting modifications and amendments to this Plan or any Award Agreement, including without limitation, any that are necessary to comply with the laws of the countries and other jurisdictions in which the Company, its Affiliates, and/or its Subsidiaries operate.

3.3 **Delegation.** The Committee may delegate to one or more of its members or to one or more officers of the Company and/or its Subsidiaries and Affiliates, or to one or more agents or advisors such administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility the Committee or such individuals may have under this Plan. The Committee may, by resolution, authorize one or more officers of the Company to do one or both of the following on the same basis as can the Committee: (a) designate Employees to be recipients of Awards; or (b) determine the size of any such Awards; provided, however, (i) the Committee shall not delegate such responsibilities to any such officer for Awards granted to an Employee who is considered an Insider; (ii) the resolution providing such authorization sets forth the total number of Awards such officer(s) may grant; and (iii) the officer(s) shall report periodically to the Committee regarding the nature and scope of the Awards granted pursuant to the authority delegated.

**ARTICLE 4**

**SHARES SUBJECT TO THIS PLAN AND MAXIMUM AWARDS**

4.1 **Number of Shares Available for Awards.**

(a) Subject to adjustment as provided in Section 4.4, the maximum number of Shares available for grant to Participants under the Plan shall be increased by seven million (7,000,000) Shares to equal twelve million two hundred thousand (12,200,000) newly issued Shares authorized for issuance under the Plan (the Share Authorization ).

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(b) The maximum number of Shares of the Share Authorization that may be issued pursuant to ISOs under this Plan shall be one million (1,000,000) Shares.

4.2 Share Usage. Shares covered by an Award shall be counted as used as of the date of grant. Any Shares related to Awards under this Plan which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, are settled in cash in lieu of Shares, or are exchanged with the Committee's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available again for grant under withholding requirements with respect to any Award granted under this Plan are satisfied by tendering Shares to the Company (by either actual delivery or by attestation), such tendered Shares shall again be available for grant under this Plan. Furthermore, if an SAR is exercised and settled in Shares, the difference between the total Shares exercised and the net Shares delivered shall again be available for grant under this Plan, with the result being that only the number of Shares issued upon exercise of an SAR are counted against the Shares available. The Shares available for issuance under this Plan may be authorized and unissued Shares or treasury Shares.

4.3 Annual Award Limits. Unless and until the Committee determines that an Award to a Covered Employee shall not be designed to qualify as Performance-Based Compensation, the following limits (each an Annual Award Limit and, collectively, Annual Award Limits) shall apply to grants of such Awards under this Plan:

(a) Options: The maximum aggregate number of Shares subject to Options granted in any one Plan Year to any one Participant shall be one million (1,000,000).

(b) SARs: The maximum number of Shares subject to Stock Appreciation Rights granted in any one Plan Year to any one Participant shall be one million (1,000,000).

(c) Restricted Stock or Restricted Stock Units: The maximum aggregate grant with respect to Awards of Restricted Stock or Restricted Stock Units in any one Plan Year to any one Participant shall be five hundred thousand (500,000) Shares.

(d) Performance Units or Performance Shares: The maximum aggregate Award of Performance Units or Performance Shares that a Participant may receive in any one Plan Year shall be five hundred thousand (500,000) shares, or equal to the value of five hundred thousand (500,000) Shares determined as of the date of vesting or payout, as applicable.

(e) Cash-Based Awards and Other Stock-Based Awards: The maximum aggregate amount awarded or credited with respect to Cash-Based or Other Stock-Based Awards to any one Participant in any one Plan Year may not exceed the value of seven million five hundred thousand dollars (\$7,500,000) or five hundred thousand (500,000) Shares determined as of the date of vesting or payout, as applicable.

4.4 Adjustments in Authorized Shares. In the event of any corporate event or transaction (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, partial or complete liquidation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Company, combination of Shares, exchange of Shares, dividend in-kind, or other like change in capital structure, the Committee, in its sole discretion, in order to prevent dilution or enlargement of Participants' rights under this Plan, shall substitute or adjust, as

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applicable, the number and kind of Shares that may be issued under this Plan or under particular forms of Awards, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the Annual Award Limits, and other value determinations applicable to outstanding Awards.

The Committee, in its sole discretion, may also make appropriate adjustments in the terms of any Awards under this Plan to reflect or related to such changes or distributions and to modify any other terms of outstanding Awards, including modifications of performance goals and changes in the length of Performance Periods. Notwithstanding anything herein to the contrary, following a Change in Control the Committee may not take any such action as described in this Section 4.4 if such action would result in a violation of the requirements of Code Section 409A. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under this Plan.

Subject to the provisions of Article 18 and notwithstanding anything else herein to the contrary, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate, subject to compliance with the rules under Code Sections 409A, 422, and 424, as and where applicable.

**ARTICLE 5**

**ELIGIBILITY AND PARTICIPATION**

5.1 Eligibility. Individuals eligible to participate in this Plan include all Employees and Directors.

5.2 Actual Participation. Subject to the provisions of this Plan, the Committee may, from time to time, select from all eligible individuals, those individuals to whom Awards shall be granted and shall determine, in its sole discretion, the nature of any and all terms permissible by law, and the amount of each Award.

**ARTICLE 6**

**STOCK OPTIONS**

6.1 Grant of Options. Subject to the terms and provisions of this Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee, in its sole discretion, provided that ISOs may be granted only to eligible Employees of the Company or of any parent or subsidiary corporation (as permitted under Code Sections 422 and 424). However, an Employee who is employed by an Affiliate and/or Subsidiary may only be granted Options to the extent the Affiliate and/or Subsidiary is part of: (i) the Company's controlled group of corporations, or (ii) a trade or business under common control, as of the date of grant as determined within the meaning of Code Section 414(b) or 414(c), and substituting for this purpose ownership of at least fifty percent (50%) of the Affiliate and/or Subsidiary to determine the members of the controlled group of corporations and the entities under common control.

6.2 Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the maximum duration of the Option, the number of Shares to which the



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Option pertains, the conditions upon which an Option shall become vested and exercisable, and such other provisions as the Committee shall determine which are not inconsistent with the terms of this Plan. The Award Agreement also shall specify whether the Option is intended to be an ISO or an NQSO.

6.3 Option Price. The Option Price for each grant of an Option under this Plan shall be determined by the Committee in its sole discretion and shall be specified in the Award Agreement; provided, however, that the Option Price must be at least equal to one hundred percent (100%) of the FMV of the Shares as determined on the date of grant; provided, further, that the Option Price for any ISO granted to a Key Employee shall equal one hundred and ten percent (110%) of the FMV of the Shares determined on the date of grant.

6.4 Term of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, no Option shall be exercisable later than the tenth (10th) anniversary of the date of grant; provided that no ISO granted to a Key Employee shall be exercisable later than the fifth (5th) anniversary of the date of grant. Notwithstanding the foregoing, for Nonqualified Stock Options granted to Participants outside the United States, the Committee has the authority to grant Nonqualified Stock Options that have a term greater than ten (10) years.

6.5 Exercise of Options. Options granted under this Article 6 shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance approve, which conditions and restrictions need not be the same for each grant or for each Participant.

6.6 Limitation on Amount of Incentive Stock Options Granted. Options shall be treated as Incentive Stock Options only to the extent that the aggregate Fair Market Value of stock with respect to which Incentive Stock Options are exercisable for the first time by any option holder during any calendar year (whether under the terms of the Plan or any other stock option plan of the Company or of its parent or any subsidiary corporation) is \$100,000 or less. To the extent that such aggregate Fair Market Value exceeds \$100,000, the Options shall be treated as Nonqualified Stock Options. Fair Market Value shall be determined as of the time the Option with respect to such stock is granted.

6.7 Payment. Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares.

A condition of the issuance of the Shares as to which an Option shall be exercised shall be the payment of the Option Price. The Option Price of any Option shall be payable to the Company in full either: (a) in cash or its equivalent; (b) by tendering (either by actual delivery or attestation) previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the Option Price (provided that except as otherwise determined by the Committee, the Shares that are tendered must have been held by the Participant for at least six (6) months (or such other period, if any, as the Committee may permit) prior to their tender to satisfy the Option Price if acquired under this Plan or any other compensation plan maintained by the Company or have been purchased on the open market); (c) by a cashless (broker-assisted) exercise; (d) by a combination of (a), (b), and/or (c); or (e) any other method approved or accepted by the Committee in its sole discretion. Subject to any governing rules or

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regulations, as soon as practicable after receipt of written notification of exercise and full payment (including satisfaction of any applicable tax withholding), the Company shall deliver to the Participant evidence of book entry Shares, or upon the Participant's request, Share certificates in an appropriate amount based upon the number of Shares purchased under the Option(s).

Unless otherwise determined by the Committee, all payments under all of the methods indicated above shall be paid in U.S. dollars.

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

6.9 **Termination of Employment.** Each Participant's Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Options issued pursuant to this Article 6, and may reflect distinctions based on the reasons for termination.

6.10 **Notification of Disqualifying Disposition.** If any Participant shall make any disposition of Shares issued pursuant to the exercise of an ISO under the circumstances described in Code Section 421(b) (relating to certain disqualifying dispositions), such Participant shall notify the Company of such disposition within ten (10) days thereof.

6.11 **No Other Feature of Deferral.** No Option granted pursuant to this Plan shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the later of the exercise or disposition of the Option, or the time the stock acquired pursuant to the exercise of the Option first becomes substantially vested.

## **ARTICLE 7**

### **STOCK APPRECIATION RIGHTS**

7.1 **Grant of SARs.** Subject to the terms and conditions of this Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Committee. However, an Employee who is employed by an Affiliate and/or Subsidiary may only be granted SARs to the extent the Affiliate and/or Subsidiary is: (i) part of the Company's controlled group of corporations, or (ii) a trade or business under common control, as of the date of grant as determined within the meaning of Code Section 414(b) or 414(c) and substituting for this purpose ownership of at least fifty percent (50%) of the Affiliate and/or Subsidiary to determine the members of the controlled group of corporations and the entities under common control.

Subject to the terms and conditions of this Plan, the Committee shall have complete discretion in determining the number of SARs granted to each Participant and, consistent with the provisions of this Plan, in determining the terms and conditions pertaining to such SARs.

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The Grant Price for each grant of an SAR shall be determined by the Committee and shall be specified in the Award Agreement; provided, however, that the Grant Price on the date of grant must be at least equal to one hundred percent (100%) of the FMV of the Shares as determined on the date of grant.

7.2 **SAR Agreement**. Each SAR Award shall be evidenced by an Award Agreement that shall specify the Grant Price, the term of the SAR, and such other provisions as the Committee shall determine.

(a) **Term of SAR**. The term of an SAR granted under this Plan shall be determined by the Committee, in its sole discretion, and except as determined otherwise by the Committee and specified in the SAR Award Agreement, no SAR shall be exercisable later than the tenth (10th) anniversary date of its grant. Notwithstanding the foregoing, for SARs granted to Participants outside the United States, the Committee has the authority to grant SARs that have a term greater than ten (10) years.

(b) **Exercise of SARs**. SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.

7.3 **Settlement of SARs**. Upon the exercise of an SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

(a) The excess of the Fair Market Value of a Share on the date of exercise over the Grant Price; by

(b) The number of Shares with respect to which the SAR is exercised. At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares, or any combination thereof, or in any other manner approved by the Committee in its sole discretion. The Committee's determination regarding the form of SAR payout shall be set forth in the Award Agreement pertaining to the grant of the SAR.

7.4 **Termination of Employment**. Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with Participants, need not be uniform among all SARs issued pursuant to this Plan, and may reflect distinctions based on the reasons for termination.

7.5 **Other Restrictions**. The Committee shall impose such other conditions and/or restrictions on any Shares received upon exercise of an SAR granted pursuant to this Plan as it may deem advisable or desirable. These restrictions may include, but shall not be limited to, a requirement that the Participant hold the Shares received upon exercise of an SAR for a specified period of time.

7.6 **No Other Feature of Deferral**. No SAR granted pursuant to this Plan shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the SAR.

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**ARTICLE 8**

**RESTRICTED STOCK AND RESTRICTED STOCK UNITS**

8.1 **Grant of Restricted Stock or Restricted Stock Units.** Subject to the terms and provisions of this Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or Restricted Stock Units to Participants in such amounts as the Committee shall determine. Restricted Stock Units shall be similar to Restricted Stock except that no Shares are actually awarded to the Participant on the date of grant.

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

8.3 **Other Restrictions.** The Committee shall impose such other conditions and/or restrictions on any Shares of Restricted Stock or Restricted Stock Units granted pursuant to this Plan as it may deem advisable including, without limitation, a requirement that Participants pay a stipulated purchase price for each Share of Restricted Stock or each Restricted Stock Unit, restrictions based upon the achievement of specific performance goals, time-based restrictions on vesting following the attainment of the performance goals, time-based restrictions and/or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Stock or Restricted Stock Units. To the extent deemed appropriate by the Committee, the Company may retain the certificates representing Shares of Restricted Stock in the Company's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse.

Except as otherwise provided in this Article 8, Shares of Restricted Stock covered by each Restricted Stock Award shall become freely transferable by the Participant after all conditions and restrictions applicable to such Shares have been satisfied or lapse (including satisfaction of any applicable tax withholding obligations), and Restricted Stock Units shall be paid in cash, Shares, or a combination of cash and Shares as the Committee, in its sole discretion shall determine.

8.4 **Certificate Legend.** In addition to any legends placed on certificates pursuant to Section 8.3 or Section 21.2, each certificate representing Shares of Restricted Stock granted pursuant to this Plan may bear a legend such as the following or as otherwise determined by the Committee in its sole discretion: The sale or transfer of Shares of stock represented by this certificate, whether voluntary, involuntary, or by operation of law, is subject to certain restrictions on transfer as set forth in the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan, and in the associated Award Agreement. A copy of this plan and such Award Agreement may be obtained from BlueLinx Holdings Inc.

8.5 **Voting Rights.** Unless otherwise determined by the Committee and set forth in a Participant's Award Agreement, to the extent permitted or required by law, as determined by the Committee, Participants holding Shares of Restricted Stock granted hereunder may be granted the right to exercise full voting rights with respect to those Shares during the Period of Restriction. A Participant shall have no voting rights with respect to any Restricted Stock Units granted hereunder.

8.6 **Termination of Employment.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Restricted Stock and/or Restricted Stock Units following

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termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Shares of Restricted Stock or Restricted Stock Units issued pursuant to this Plan, and may reflect distinctions based on the reasons for termination.

8.7 **Section 83(b) Election.** The Committee may provide in an Award Agreement that the Award of Restricted Stock is conditioned upon the Participant making or refraining from making an election with respect to the Award under Code Section 83(b). If a Participant makes an election pursuant to Code Section 83(b) concerning a Restricted Stock Award, the Participant shall be required to file promptly a copy of such election with the Company.

## **ARTICLE 9**

### **PERFORMANCE UNITS/PERFORMANCE SHARES**

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

9.2 **Value of Performance Units/Performance Shares.** Each Performance Unit shall have an initial value that is established by the Committee at the time of grant. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant. The Committee shall set performance goals in its discretion which, depending on the extent to which they are met, will determine the value and/or number of Performance Units/Performance Shares that will be paid out to the Participant.

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

9.4 **Form and Timing of Payment of Performance Units/Performance Shares.** Payment of earned Performance Units/Performance Shares shall be as determined by the Committee and as evidenced in the Award Agreement. Subject to the terms of this Plan, the Committee, in its sole discretion, may pay earned Performance Units/Performance Shares in the form of cash or in Shares (or in a combination thereof) equal to the value of the earned Performance Units/Performance Shares at the close of the applicable Performance Period, or as soon as practicable after the end of the Performance Period. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement pertaining to the grant of the Award.

9.5 **Termination of Employment.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Units and/or Performance Shares following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole

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discretion of the Committee, shall be included in the Award Agreement entered into with each Participant, need not be uniform among all Awards of Performance Units or Performance Shares issued pursuant to this Plan, and may reflect distinctions based on the reasons for termination.

**ARTICLE 10**

**CASH-BASED AWARDS AND OTHER STOCK-BASED AWARDS**

10.1 Grant of Cash-Based Awards. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Cash-Based Awards to Participants in such amounts and upon such terms as the Committee may determine.

10.2 Other Stock-Based Awards. The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares) in such amounts and subject to such terms and conditions as the Committee shall determine. Such Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares, and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

10.3 Value of Cash-Based and Other Stock-Based Awards. Each Cash-Based Award shall specify a payment amount or payment range as determined by the Committee. Each Other Stock-Based Award shall be expressed in terms of Shares or units based on Shares, as determined by the Committee. The Committee may establish performance goals in its discretion. If the Committee exercises its discretion to establish performance goals, the number and/or value of Cash-Based Awards or Other Stock-Based Awards that will be paid out to the Participant will depend on the extent to which the performance goals are met.

10.4 Payment of Cash-Based Awards and Other Stock-Based Awards. Payment, if any, with respect to a Cash-Based Award or an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash or Shares as the Committee determines.

10.5 Termination of Employment. The Committee shall determine the extent to which the Participant shall have the right to receive Cash-Based Awards or Other Stock-Based Awards following termination of the Participant's employment with or provision of services to the Company, its Affiliates, and/or its Subsidiaries, as the case may be. Such provisions shall be determined in the sole discretion of the Committee, shall be included in an agreement entered into with each Participant, need not be uniform among all Awards of Cash-Based Awards or Other Stock-Based Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

**ARTICLE 11**

**TRANSFERABILITY OF AWARDS**

11.1 Transferability. Except as provided in Section 11.2 below, during a Participant's lifetime, his or her Awards shall be exercisable only by the Participant. Awards shall not be transferable other than by will or the laws of descent and distribution; no Awards shall be subject, in whole or in part, to

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attachment, execution, or levy of any kind; and any purported transfer in violation hereof shall be null and void. The Committee may establish such procedures as it deems appropriate for a Participant to designate a beneficiary to whom any amounts payable or Shares deliverable in the event of, or following, the Participant's death, may be provided.

11.2 **Committee Action.** The Committee may, in its discretion, determine that notwithstanding Sections 11.1 and 11.3, any or all Awards (other than ISOs) shall be transferable to and exercisable by such transferees, and subject to such terms and conditions, as the Committee may deem appropriate; provided, however, no Award may be transferred for value (as defined in the General Instructions to Form S-8).

11.3 **Domestic Relations Orders.** Without limiting the generality of Section 11.1, no domestic relations order purporting to authorize a transfer of an Award shall be recognized as valid.

## **ARTICLE 12**

### **PERFORMANCE MEASURES**

12.1 **Performance Measures.** In accordance with the Plan, the Committee may prescribe Awards that are based on objectively determinable performance conditions so that the Awards may qualify as Performance-Based Compensation. Objectively determinable performance conditions are Performance Measure (a) that are established in writing (i) at the time of grant or (ii) no later than the earlier of (x) ninety (90) days after the beginning of the period of service to which they relate and (y) before the lapse of twenty-five percent (25%) of the period of service to which they relate; (b) that are uncertain of achievement at the time they are established; and (c) the achievement of which is determinable by a third party with knowledge of the relevant facts. The Performance Measures upon which the payment or vesting of an Award to a Covered Employee that is intended to qualify as Performance-Based Compensation shall be limited to the following Performance Measures or any combination of the following Performance Measures:

- (a) Net earnings or net income (before or after taxes, depreciation and amortization);
- (b) Earnings per share;
- (c) Net sales or revenues growth;
- (d) Net operating profit;
- (e) Return measures (including, but not limited to, return on assets, capital, working capital, equity, sales, or revenue);
- (f) Cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity, and cash flow returns on investment);
- (g) Earnings before taxes, interest, depreciation and/or amortization;
- (h) Gross or operating margins;
- (i) Productivity ratios;

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- (j) Share price (including, but not limited to, growth measures and total shareholder return);
- (k) Expense target;
- (l) Margins;
- (m) Operating efficiency;
- (n) Market share;
- (o) Customer satisfaction;
- (p) Working capital targets; and
- (q) Economic value added or EVA<sup>®</sup> (net operating profits after tax minus the sum of capital multiplied by the cost of capital).

Performance Measures may be related to a specific customer or group of customers or geographic region. The form of the Performance Measures may be measured on a Company, Subsidiary, and/or Affiliate, division, business unit, service line, segment or geographic basis or any combination thereof. Performance Measures may reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group of entities or published or special indexes or other external measures of the selected Performance Measures. The Committee may select Performance Measures under (j) above as compared to various stock market indices. Performance Measures may exclude any extraordinary or non-recurring items. Performance Measures may, but need not, be based upon an increase or positive result under the aforementioned criteria and could include, for example and not by way of limitation, maintaining the status quo or limiting the economic losses (measured, in each case, by reference to the specific criteria). The Performance Measures may not include solely the mere continued employment of the Participant. However, the Award may become vested and/or payable contingent on the Participant's continued employment or service, and/or employment or service at the time the Award becomes vested and/or payable, in addition to the Performance Measures described above. The Committee shall have the sole discretion to select one or more periods of time over which the attainment of one or more of the foregoing Performance Measures will be measured for the purpose of determining a Participant's right to, and the vesting and/or payment of, an Award that will become vested and/or payable on Performance Measures. The Committee also has the authority to provide for accelerated vesting and/or payment of any Award based on the achievement of Performance Measures specified in this Section 12.1. The amount of the Award that will become vested and/or payable if the Performance Measures are achieved (or an objective formula for, or method of, computing such amount) must be established at the time set forth above.

12.2 Evaluation of Performance. If the Committee, on the date of grant, prescribes that an Award shall become vested and/or payable only upon the attainment of any of the above Performance Measures, the Award shall become vested and/or payable only to the extent that the Committee certifies in writing that such Performance Measures have been achieved. An Award will not satisfy the requirements for Performance-Based Compensation if the facts and circumstances indicate the Award will become vested and/or payable regardless of whether the Performance Measures are attained (including, but not limited to, upon the termination of the Participant's employment or service other than on death or disability). However, an Award does not fail to meet the requirements of



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Performance-Based Compensation merely because the Award would become vested and/or payable upon the Participant's death or disability or upon a Change in Control prior to attainment of the Performance Measures, although an Award that actually becomes vested and/or payable on account of those events prior to the attainment of the Performance Measures would not constitute Performance-Based Compensation.

The Committee may provide in any such Award that any evaluation of performance may include or exclude any of the following events that occur during a Performance Period: (a) asset write-downs; (b) litigation or claim judgments or settlements; (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results; (d) any reorganization and restructuring programs; (e) extraordinary nonrecurring items as described in Accounting Principles Board Opinion No. 30 and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to shareholders for the applicable year; (f) acquisitions or divestitures; and (g) foreign exchange gains and losses. To the extent such inclusions or exclusions affect Awards to Covered Employees, they shall be prescribed in a form that meets the requirements of Code Section 162(m) for deductibility.

**12.3 Adjustment of Performance-Based Compensation.** Awards that are intended to qualify as Performance-Based Compensation may not be adjusted upward. The Committee shall retain the discretion to adjust such Awards downward, either on a formula or discretionary basis, or any combination as the Committee determines.

**12.4 Committee Discretion.** In the event that applicable tax and/or securities laws change to permit Committee discretion to alter the governing Performance Measures without obtaining shareholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining shareholder approval provided the exercise of such discretion does not violate Code Section 409A. In addition, in the event that the Committee determines that it is advisable to grant Awards that shall not qualify as Performance-Based Compensation, the Committee may make such grants without satisfying the requirements of Code Section 162(m) and base vesting on Performance Measures other than those set forth in Section 12.1.

## **ARTICLE 13**

### **NONEMPLOYEE DIRECTOR AWARDS**

The Board or Committee shall determine all Awards to Nonemployee Directors. The terms and conditions of any grant to any such Nonemployee Director shall be set forth in an Award Agreement.

## **ARTICLE 14**

### **DIVIDEND EQUIVALENTS**

Any Participant selected by the Committee may be granted dividend equivalents based on the dividends declared on Shares that are subject to any Award, to be credited as of dividend payment dates during the period between the date the Award is granted and the date the Award is exercised, vests, or expires, as determined by the Committee. Such dividend equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such limitations as may be determined by the Committee; provided, however, that no dividend equivalents may be granted on any Award of Options or SARs.

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**ARTICLE 15**

**BENEFICIARY DESIGNATION**

Each Participant under this Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Plan is to be paid in case of his death before he receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such beneficiary designation, benefits remaining unpaid or rights remaining unexercised at the Participant's death shall be paid to or exercised by the Participant's executor, administrator, or legal representative.

**ARTICLE 16**

**RIGHTS OF PARTICIPANTS**

16.1 Employment. Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Company, its Affiliates, and/or its Subsidiaries to terminate any Participant's employment or service on the Board or to the Company at any time or for any reason not prohibited by law, nor confer upon any Participant any right to continue his employment or service as a Director for any specified period of time.

Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company, its Affiliates, and/or its Subsidiaries and, accordingly, subject to Articles 3 and 18, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Committee without giving rise to any liability on the part of the Company, its Affiliates, and/or its Subsidiaries.

16.2 Participation. No individual shall have the right to be selected to receive an Award under this Plan, or, having been so selected, to be selected to receive a future Award.

16.3 Rights as a Shareholder. Except as otherwise provided herein, a Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.

**ARTICLE 17**

**CHANGE IN CONTROL**

Notwithstanding any other provision of this Plan to the contrary, the provisions of this Article 17 shall apply in the event of a Change in Control, unless otherwise determined by the Committee in connection with the grant of an Award as reflected in the applicable Award Agreement.

- (a) All outstanding Options and Stock Appreciation Rights shall become immediately vested and exercisable;
- (b) All Restricted Stock and Restricted Stock Units shall become immediately vested and payable; and

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(c) The Performance Period applicable to Performance Shares and Performance Units shall lapse and the performance goals associated with such awards shall be deemed to have been met at their target level. Such awards shall vest on a pro rata basis based on the portion of the vesting period completed as of the Change in Control.

The Committee may, in its sole discretion, determine that any or all outstanding Awards granted under the Plan, whether or not exercisable, will be canceled and terminated and that in connection with such cancellation and termination the holder of such Award may receive for each Share of common stock subject to such Awards a cash payment (or the delivery of shares of stock, other securities or a combination of cash, stock and securities equivalent to such cash payment) equal to the difference, if any, between the consideration received by shareholders of the Company in respect of a Share of common stock in connection with such transaction and the purchase price per share, if any, under the Award multiplied by the number of Shares of common stock subject to such Award; provided that if such product is zero or less or to the extent that the Award is not then exercisable, the Awards may be canceled and terminated without payment therefore.

**ARTICLE 18**

**AMENDMENT, MODIFICATION, SUSPENSION, AND TERMINATION**

18.1 Amendment, Modification, Suspension, and Termination. Subject to Section 18.3, the Committee may, at any time and from time to time, alter, amend, modify, suspend, or terminate this Plan and any Award Agreement in whole or in part; provided, however, that without the prior approval of the Company's shareholders and except as provided in Section 4.4, Options or SARs issued under this Plan will not be repriced, replaced, or regranted through cancellation or by lowering the Option Price of a previously granted Option or the Grant Price of a previously granted SAR, and no amendment of this Plan shall be made without shareholder approval if shareholder approval is required by law, regulation, or stock exchange rule.

18.2 Adjustment of Awards Upon the Occurrence of Certain Unusual or Nonrecurring Events. The Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 4.4 hereof) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under this Plan.

18.3 Awards Previously Granted. Notwithstanding any other provision of this Plan to the contrary (other than Section 18.4), no termination, amendment, suspension, or modification of this Plan or an Award Agreement shall adversely affect in any material way any Award previously granted under this Plan without the written consent of the Participant holding such Award.

18.4 Amendment to Conform to Law. Notwithstanding any other provision of this Plan to the contrary, the Board of Directors may amend the Plan or an Award Agreement, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or an Award Agreement to any present or future law relating to plans of this or similar nature (including, but not limited to, Code Section 409A), and to the administrative regulations and rulings promulgated thereunder.

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**ARTICLE 19**

**WITHHOLDING**

19.1 **Tax Withholding**. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Plan.

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

**ARTICLE 20**

**SUCCESSORS**

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

**ARTICLE 21**

**GENERAL PROVISIONS**

21.1 **Forfeiture Events**. The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of employment for cause, termination of the Participant's provision of services to the Company, Affiliate, and/or Subsidiary, violation of material Company, Affiliate, and/or Subsidiary policies, breach of noncompetition, confidentiality, or other restrictive covenants that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company, its Affiliates, and/or its Subsidiaries.

21.2 **Legend**. The certificates for Shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

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

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

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

21.6 Delivery of Title. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) Completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable.

21.7 Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

21.8 Investment Representations. The Committee may require any individual receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the individual is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

21.9 Employees Based Outside of the United States. Notwithstanding any provision of this Plan to the contrary, in order to comply with the laws in other countries in which the Company, its Affiliates, and/or its Subsidiaries operate or have Employees or Directors, the Committee, in its sole discretion, shall have the power and authority to:

- (a) Determine which Affiliates and Subsidiaries shall be covered by this Plan.
- (b) Determine which Employees and/or Directors outside the United States are eligible to participate in this Plan.
- (c) Modify the terms and conditions of any Award granted to Employees and/or Directors outside the United States to comply with applicable foreign laws.
- (d) Establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable. Any subplans and modifications to Plan terms and procedures established under this Section 21.9 by the Committee shall be attached to this Plan document as appendices.
- (e) Take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local government regulatory exemptions or approvals.

Notwithstanding the above, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate applicable law.

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21.10 Uncertificated Shares. To the extent that this Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be affected on a noncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange.

21.11 Unfunded Plan. Participants shall have no right, title, or interest whatsoever in or to any investments that the Company, and/or its Subsidiaries, and/or its Affiliates may make to aid it in meeting its obligations under this Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any Participant, beneficiary, legal representative, or any other individual. To the extent that any individual acquires a right to receive payments from the Company, its Subsidiaries, and/or its Affiliates under this Plan, such right shall be no greater than the right of an unsecured general creditor of the Company, a Subsidiary, or an Affiliate, as the case may be. All payments to be made hereunder shall be paid from the general funds of the Company, a Subsidiary, or an Affiliate, as the case may be and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in this Plan.

21.12 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to this Plan or any Award. The Committee shall determine whether cash, Awards, or other property shall be issued or paid in lieu of fractional Shares or whether such fractional Shares or any rights thereto shall be forfeited or otherwise eliminated.

21.13 Retirement and Welfare Plans. Neither Awards made under this Plan nor Shares or cash paid pursuant to such Awards may be included as compensation for purposes of computing the benefits payable to any Participant under the Company's or any Subsidiary's or Affiliate's retirement plans (both qualified and nonqualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit.

21.14 Deferred Compensation. It is intended that any Award made under this Plan that results in the deferral of compensation (as defined under Code Section 409A) complies with the requirements of Code Section 409A.

21.15 Nonexclusivity of this Plan. The adoption of this Plan shall not be construed as creating any limitations on the power of the Board or Committee to adopt such other compensation arrangements as it may deem desirable for any Participant.

21.16 No Constraint on Corporate Action. Nothing in this Plan shall be construed to: (i) limit, impair, or otherwise affect the Company's or a Subsidiary's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (ii) limit the right or power of the Company or a Subsidiary or an Affiliate to take any action which such entity deems to be necessary or appropriate.

21.17 Governing Law. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan to the substantive law of another jurisdiction. Unless otherwise provided in the Award Agreement, recipients of an Award under this Plan are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of Delaware, to resolve any and all issues that may arise out of or relate to this Plan or any related Award Agreement.

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21.18 Indemnification. Subject to requirements of Delaware law, each individual who is or shall have been a member of the Board, or a Committee appointed by the Board, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under this Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his/her own behalf, unless such loss, cost, liability, or expense is a result of his/her own willful misconduct or except as expressly provided by statute.

The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individuals may be entitled under the Company's Articles of Incorporation, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

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**Appendix B**

**SECOND AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
BLUELINX HOLDINGS INC.**

BlueLinx Holdings Inc., a corporation organized and existing under the laws of the State of Delaware, certifies that:

1. The original Certificate of Incorporation of BlueLinx Holdings Inc. was filed with the Secretary of State of the State of Delaware on August 26, 2004.
2. Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "DGCL"), this Amended and Restated Certificate of Incorporation of BlueLinx Holdings Inc. restates, integrates and further amends the provisions of the Certificate of Incorporation of BlueLinx Holdings Inc.
3. This Amended and Restated Certificate of Incorporation of BlueLinx Holdings Inc. shall be effective upon filing with Secretary of State of the State of Delaware.
4. The text of the Certificate of Incorporation of BlueLinx Holdings Inc. is hereby amended and restated to read as follows:

**ARTICLE I**

The name of the Corporation is BlueLinx Holdings Inc. (the "Corporation").

**ARTICLE II**

The address of the Corporation's registered office in the State of Delaware is 615 South Dupont Highway, County of Kent, City of Dover, Delaware 19901. National Corporate Research, Ltd. is the Corporation's registered agent at that address.

**ARTICLE III**

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

**ARTICLE IV**

A. **Authorized Capital Stock.** The total number of shares of all classes of stock which the Corporation shall have authority to issue is two hundred thirty million (230,000,000) shares, consisting of: (i) two hundred million (200,000,000) shares of common stock, par value one cent (\$0.01) per share (the "Common Stock"), and (ii) thirty million (30,000,000) shares of preferred stock, par value one cent (\$0.01) per share (the "Preferred Stock").

B. **Common Stock.** Subject to the DGCL, this Amended and Restated Certificate of Incorporation and the rights, if any, of the holders of any outstanding series of Preferred Stock, the Common Stock of the



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Corporation shall possess all such rights and privileges as are afforded to capital stock by applicable law in the absence of any express grant or rights or privileges in the Corporation's Amended and Restated Certificate of Incorporation, including, but not limited to, the following rights and privileges:

(i) Dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the Corporation legally available for the payment of dividends;

(ii) The holders of Common Stock shall have the right to vote for the election of directors and on all other matters requiring shareholder action, each share being entitled to one vote; and

(iii) Upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the net assets of the Corporation available for distribution shall be distributed pro rata to the holders of the Common Stock in accordance with their respective rights and interests.

**C. Preferred Stock.** The Board of Directors is hereby expressly authorized to issue, at any time and from time to time, shares of Preferred Stock in one or more series. The number of shares within any such series shall be designated by the Board of Directors in one or more resolutions, and the shares of each series so designated shall have such preferences with respect to the Common Stock and other series of Preferred Stock, and such other rights, restrictions or limitations with respect to voting, dividends, conversion, exchange, redemption and any other matters, as may be set forth in one or more resolutions adopted by the Board of Directors. A certificate of designations setting forth any such designation, preferences, rights, restrictions or limitations shall be filed with the Delaware Secretary of State prior to the issuance of any shares of such series.

The authority of the Board of Directors with respect to the establishment of each series of Preferred Stock shall include, without limiting the generality of the foregoing, determination of the following matters which may vary between series:

(i) The number of shares constituting that series and the distinctive designation of that series;

(ii) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, if any, of payments of dividends on shares of that series;

(iii) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(iv) Whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provisions for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) Whether the shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions;

(vi) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

(vii) Any other relative preferences, rights, restrictions or limitations of that series, including but not limited to any obligations of the Corporation to repurchase shares of that series upon specified events.

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**ARTICLE V**

The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by the DGCL (including, without limitation, paragraph (7) of subsection (b) of Section 102 thereof), as the same may be amended and supplemented from time to time. No amendment or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

**ARTICLE VI**

The Corporation shall indemnify and hold harmless, and advance expenses, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a Covered Person ) who (i) was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, nonprofit entity or other enterprise, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by such Covered Person in connection with such action suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful or (ii) was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, nonprofit entity or other enterprise, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) actually and reasonably incurred by such Covered Person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, except as otherwise provided by law. Notwithstanding the preceding sentence, except as otherwise provided in the Amended and Restated Bylaws of the Corporation (as the same may provide from time to time) (the Amended and Restated Bylaws ), the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized by the Amended and Restated Bylaws, in any written agreement with the Corporation, or in the specific case by the Board of Directors or stockholders; provided, however, that if successful in whole or in part in any suit for the advancement of expenses or indemnification hereunder, the Covered Person shall be entitled to payment of the expense of litigating such suit. Nothing in this Article VI shall affect any rights to indemnification or advancement of expenses to which directors, officers, employees or agents of the Corporation otherwise may be entitled under the Amended and Restated Bylaws, any written agreement with the Corporation or otherwise. The Corporation may, to the extent authorized from time to time by the Board of Directors or stockholders, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VI with respect to the indemnification and advancement of expenses of directors and officers of the Corporation. Without limiting the generality or the effect of the foregoing, the Corporation may enter into one or more agreements with any person that provides for indemnification greater or different than that provided in this Article VI. No amendment or repeal of this Article VI shall adversely affect any right or protection existing hereunder or pursuant hereto immediately prior to such amendment or repeal.

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**ARTICLE VII**

The Board of Directors shall have the power to adopt, amend or repeal Bylaws of the Corporation, subject to the right of the stockholders of the Corporation to adopt, amend or repeal any Bylaw.

**ARTICLE VIII**

The election of directors of the Corporation need not be by written ballot, unless the Amended and Restated Bylaws of the Corporation otherwise provide.

*[Remainder of page intentionally left blank]*

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IN WITNESS WHEREOF, the undersigned, being the Secretary of the Corporation, does make and file this Second Amended and Restated Certificate of Incorporation, hereby declaring and certifying that the facts herein stated are true, and accordingly has hereunto set her hand this 18th day of May, 2012.

/s/ Sara E. Epstein  
Name: Sara E. Epstein  
Title: Secretary

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**FORM OF PROXY CARD**

**BLUELINX HOLDINGS INC.**

**This Proxy is Solicited on Behalf of the Board of Directors**

The undersigned appoints Sara E. Epstein and H. Douglas Goforth, and each of them, as proxies, each with the power to appoint his or her substitute, and authorizes each of them to represent and vote, as designated below, all of the shares of stock of BlueLinx Holdings Inc. held of record by the undersigned on April 2, 2012, at the Annual Meeting of Stockholders of BlueLinx Holdings Inc. to be held on May 17, 2012, and at any and all adjournments or postponements thereof. The Board of Directors recommends voting **FOR** its nominees for director and **FOR** proposals 2 through 5.

**This proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this proxy will be voted FOR the Board's nominees for director in Proposal 1 and FOR Proposals 2 through 5.**

*(Continued and to be dated and signed on reverse side)*

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**BLUELINX HOLDINGS INC. 2012 ANNUAL MEETING**

1. Proposal to elect eight directors to hold office until the 2013 annual meeting of stockholders or until their successors are duly elected and qualified.

Howard S. Cohen

Richard S. Grant

George R. Judd

Steven F. Mayer

Charles H. McElrea

Alan H. Schumacher

Robert G. Warden

M. Richard Warner

“ **FOR** the nominees listed above. ”

**WITHHOLD AUTHORITY**

to vote for the nominee(s) listed below:

2. Proposal to ratify the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for fiscal year 2012.

“ **FOR**

“ **AGAINST**

“ **ABSTAIN**

3. Proposal to approve an amendment to the BlueLinx Holdings Inc. Amended and Restated 2006 Long-Term Equity Incentive Plan to increase the number of shares available for grant thereunder from 5,200,000 shares to 12,200,000 shares.

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“ **FOR**

“ **AGAINST**

“ **ABSTAIN**

4. Proposal to approve an amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 100,000,000 to 200,000,000.

“ **FOR**

“ **AGAINST**

“ **ABSTAIN**

5. Proposal to approve the advisory, non-binding resolution regarding the executive compensation described in this Proxy Statement

“ **FOR**

“ **AGAINST**

“ **ABSTAIN**

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

Dated: \_\_\_\_\_, 2012

Signature(s) in box

Please sign exactly as name appears hereon. When shares are held by joint tenants, both should sign. When signing in a fiduciary or representative capacity, give full title as such.