

Quanex Building Products CORP
Form DEF 14A
January 24, 2014
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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 X

Filed by a Party other than the Registrant O

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 under §240.14a-12

Quanex Building Products Corporation
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)	Title of each class of securities to which transaction applies:
(2)	Aggregate number of securities to which transaction applies:
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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- Fee paid previously with preliminary materials.
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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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**QUANEX BUILDING
PRODUCTS CORPORATION**

1800 West Loop South
Suite 1500
Houston, Texas 77027
(713) 961-4600

January 24, 2014

Dear Fellow Stockholder:

You are cordially invited to attend the Company's Annual Meeting of Stockholders to be held at 8:00 a.m., C.S.T., on Thursday, February 27, 2014, at the Company's principal executive offices at 1800 West Loop South, Suite 1500, Houston, Texas.

This year you will be asked to vote in favor of the election of two directors, in favor of an amendment and restatement of the Company's 2008 Omnibus Incentive Plan, and in favor of an advisory vote approving the Company's named executive officer compensation. These proposals are more fully explained in the attached proxy statement, which you are encouraged to read.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE IN FAVOR OF EACH PROPOSAL OUTLINED IN THE ATTACHED PROXY. THE BOARD FURTHER URGES YOU TO VOTE AT YOUR EARLIEST CONVENIENCE, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING.

Thank you for your continued support.

Sincerely,

William C. Griffiths
Chairman of the Board

YOUR VOTE IS IMPORTANT

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QUANEX BUILDING PRODUCTS CORPORATION
PROXY STATEMENT

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held February 27, 2014

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Quanex Building Products Corporation, a Delaware corporation (the Company or Quanex), will be held at the principal executive offices of the Company, 1800 West Loop South, Suite 1500, Houston, Texas, 77027, on Thursday, February 27, 2014, at 8:00 a.m., C.S.T., for the following purposes:

- (1) To elect two directors to serve until the Annual Meeting of Stockholders in 2017;
- (2) To provide an advisory vote approving the Company s named executive officer compensation;
- (3) To approve an amendment and restatement of the Company s 2008 Omnibus Incentive Plan; and
- (4) To transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Information with respect to the above matters is set forth in the Proxy Statement that accompanies this Notice.

The Board of Directors of the Company (the Board of Directors or Board) has fixed the close of business on January 8, 2014, as the record date for determining stockholders entitled to notice of and to vote at the meeting. A complete list of the stockholders entitled to vote at the meeting will be maintained at the Company s principal executive offices, will be open to the examination of any stockholder for any purpose germane to the meeting during ordinary business hours for a period of ten days prior to the meeting, and will be made available at the time and place of the meeting during the whole time thereof.

Please execute your vote promptly. Your designation of a proxy is revocable and will not affect your right to vote in person if you find it convenient to attend the meeting and wish to vote in person.

The Company s Annual Report to Stockholders for the fiscal year ended October 31, 2013, accompanies this Notice.

By order of the Board of Directors,

Kevin P. Delaney
*Senior Vice President General Counsel
and Secretary*

Houston, Texas

January 24, 2014

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PROXY STATEMENT

Annual Meeting of Stockholders

To Be Held February 27, 2014

This Proxy Statement and the accompanying form of proxy are to be first mailed on or about January 24, 2014, to all holders of record on January 8, 2014 (the Record Date), of the common stock, \$.01 par value (the Common Stock), of Quanex Building Products Corporation, a Delaware corporation (the Company). These materials are furnished in connection with the solicitation of proxies by the Board of Directors of the Company to be used at the Annual Meeting of Stockholders to be held at the Company's principal executive offices, 1800 West Loop South, Suite 1500, Houston, Texas, 77027, at 8:00 a.m., C.S.T., on Thursday, February 27, 2014, and at any adjournment or adjournments thereof. Shares of Common Stock represented by any un-revoked proxy in the enclosed form, if such proxy is properly executed and is received prior to the meeting, will be voted in accordance with the specifications made on such proxy. Proxies on which no specifications have been made will be voted FOR the election as director of the nominees listed herein and FOR each other proposal included herein. Proxies are revocable by written notice to the Secretary of the Company at the address of the Company set forth below, or by delivery of a later dated proxy, at any time prior to their exercise. Proxies may also be revoked by a stockholder attending and voting in person at the meeting.

The Common Stock is the only class of securities of the Company that is entitled to vote at the meeting. As of the close of business on the Record Date, the date for determining stockholders who are entitled to receive notice of and to vote at the meeting, there were 37,258,156 shares of Common Stock outstanding. Each share is entitled to one vote. The presence at the meeting, in person or by proxy, of the holders of a majority of shares of Common Stock is necessary to constitute a quorum. Abstentions and broker non-votes are counted as present in determining whether the quorum requirement is satisfied.

The cost of soliciting proxies will be borne by the Company. Solicitation may be made personally or by mail, telephone or electronic data transfer by officers, directors and regular employees of the Company (who will not receive any additional compensation for any solicitation of proxies), or by the firm of Alliance Advisors, LLC, which has been retained by the Company to assist in the solicitation for a fee of approximately \$6,000. The Company will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses for sending proxy materials to the beneficial owners of Common Stock. The mailing address of the Company's principal executive office is 1800 West Loop South, Suite 1500, Houston, Texas, 77027.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

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FOR THE ANNUAL MEETING TO BE HELD ON FEBRUARY 27, 2014:

Our Proxy Statement and 2013 Annual Report are available online at the following web address:

<http://www.quanex.com/2013AR>

In accordance with Securities and Exchange Commission rules, this website provides complete anonymity with respect to any stockholder accessing it.

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ELECTION OF DIRECTORS**

Two directors are to be elected at the meeting. The Company's Certificate of Incorporation and Amended and Restated Bylaws both provide that the Board of Directors shall be divided into three classes as nearly equal in number as possible, with the terms of office of the classes expiring at different times. Directors are divided into three classes with Classes I, II, and III standing for election at the annual meetings of stockholders in 2014, 2015 and 2016, respectively. The terms of office of Susan F. Davis and Curtis M. Stevens expire at the 2014 Annual Meeting. Ms. Davis and Mr. Stevens were each elected by the stockholders in 2011 to a term ending in 2014 and are standing for re-election for term expiring at the 2017 annual meeting. Robert R. Buck was elected by the stockholders in 2012 to a term ending in 2015. Following the July 2013 resignation of David D. Petratis as a director and in order to ensure that the Board remains divided into three classes as nearly equal in number as possible, Joseph D. Rupp resigned as a Class I director and was immediately re-elected by the Board as a Class II Director, with a term ending in 2015. Both Class III directors, as listed below, were elected to a term ending in 2015 at the 2012 Annual Meeting.

In reviewing the information contained in this Proxy Statement that relates to our directors and officers, it is important to note that Quanex Building Products Corporation was initially created on December 12, 2007, in connection with the April 2008 spin-off of the building products business of Quanex Corporation, and related merger of Quanex Corporation with Gerdau S.A. In connection with these transactions, the directors and officers of Quanex Corporation became the directors and officers of Quanex Building Products Corporation. As such, we have listed these carryover directors and officers as beginning with the Company in 2007 despite the fact that they may have served in similar positions with Quanex Corporation prior to that time. For information related to the transaction, the origins of Quanex Building Products Corporation, and any pre-transaction service as a director or officer of Quanex Corporation, please see (a) the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2008, (b) the Information Statement attached as Exhibit 99.1 to the Company's Registration Statement on Form 10, filed April 4, 2008 and effective April 9, 2008, and (c) Quanex Corporation's Annual Report on Form 10-K, as amended by Form 10-K/A, for the fiscal year ended October 31, 2007.

Nominees for election for term expiring at the 2017 Annual Meeting (Class I Directors)	Principal Occupation	Age	Director Since
Susan F. Davis	Executive Vice President of Human Resources of Johnson Controls, Inc., a global leader in automotive systems, building efficiency and power solutions (Milwaukee, Wisconsin).	60	2007
Curtis M. Stevens	Chief Executive Officer of Louisiana-Pacific Corporation, a leading building materials manufacturer (Nashville, Tennessee).	61	2010
Joseph D. Rupp	Chairman, President and Chief Executive Officer of Olin Corporation, a basic materials company concentrated in chemicals and ammunition (Clayton, Missouri).	63	2007
Robert R. Buck	Chairman of the Board of Beacon Roofing Supply, Inc., a leading distributor of roofing materials (Peabody, Massachusetts).	66	2011

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William C. Griffiths	Chairman, President and Chief Executive Officer, Quanex Building Products Corporation (Houston, Texas).	62	2009
LeRoy D. Nosbaum	Retired President and Chief Executive Officer of Itron, Inc., a leading technology provider to the global energy and water industries and a leading provider of intelligent metering, data collection and utility software solutions (Spokane, Washington).	67	2010

Director Biographies, Key Attributes, and Skills

ROBERT BUCK, age 66

Biography: Mr. Buck is the Chairman of the Board of Beacon Roofing Supply, Inc., a \$2.2 billion NASDAQ traded roofing materials distributor. Mr. Buck served as Chairman and CEO of Beacon from 2007 to 2011; as Chairman, President and CEO in 2007; and as President and CEO from 2003 to 2007. Prior to joining Beacon in 2003, Mr. Buck spent 21 years with Cintas Corporation in various executive positions. Mr. Buck holds a B.S. in Finance from the University of Cincinnati.

Key Attributes, Experience, and Skills: During his time at Beacon Roofing and Cintas Corporation, Mr. Buck developed extensive executive leadership, finance and accounting expertise. Mr. Buck also participated in numerous mergers and acquisitions and has strong corporate governance experience. In addition, Mr. Buck's tenure at Beacon Roofing has provided him substantial experience in the building products industry. Mr. Buck has also amassed a good deal of public company board experience through his service on the boards of Beacon Roofing Supply, Multi-Color Corporation, and Kendle International.

Other Directorships Since 2008: Mr. Buck currently serves on the boards of Beacon Roofing Supply, Inc., and Multi-Color Corporation, and served on the board of Kendle International, Inc., a former Nasdaq-traded company, until 2011.

SUSAN DAVIS, age 60

Biography: Ms. Davis was elected in September 2006 as Executive Vice President of Human Resources for Johnson Controls, Inc., a global leader in automotive systems, building efficiency and power solutions. Ms. Davis previously served as Vice President of Human Resources for Johnson Controls from 1994 to 2006, and in various other positions with Johnson Controls, which she originally joined in 1983. Johnson Controls is a \$44 billion NYSE-traded company.

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Key Attributes, Experience, and Skills: As the executive leader of Human Resources for Johnson Controls since 1994, Ms. Davis has acquired extensive management, corporate governance, public company, and international business expertise. She has also worked extensively with executive compensation and management development issues. Further, Ms. Davis' time as a director for Butler Manufacturing and Johnson Controls' status as a global leader in building efficiency products and controls has provided Ms. Davis with the opportunity to accumulate extensive experience in the building products industry and with manufacturing processes, both of which are very valuable in her service as a director of the Company. Ms. Davis also gained public company board experience as a result of her service as a director for Butler Manufacturing and Quanex Corporation.

Other Directorships Since 2008: Ms. Davis served on the board of Quanex Corporation from 1998 until its merger with Gerdaul in April 2008.

WILLIAM GRIFFITHS, age 62

Biography: Mr. Griffiths was elected Chairman, President and Chief Executive Officer of Quanex Building Products Corporation effective July 9, 2013. Prior to joining the Company, Mr. Griffiths served as the Managing Director and a member of the board of directors of Sealine (International) Ltd., a privately held manufacturer of yachts and other marine vessels based in the United Kingdom, from 2012 until it was sold in June 2013. Prior to joining Sealine in 2012, Mr. Griffiths served as Chairman of the Board, President and CEO of Champion Enterprises, Inc., a NYSE-traded producer of

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modular and manufactured housing until 2010. He joined Champion as a Director, and as President and Chief Executive Officer, in August 2004, and was named Chairman of the Board in 2006. Champion filed for Chapter 11 bankruptcy on November 15, 2009. From 2001 to 2004, Mr. Griffiths was President Fluid Systems Division at SPX Corporation, a global multi-industry company located in Charlotte, North Carolina. Mr. Griffiths graduated from the University of London with a BS with Honors in Mining Engineering. In addition, Mr. Griffiths is a graduate of the Harvard Business School's PMD executive education program.

Key Attributes, Experience, and Skills: During his tenure as CEO of Champion Enterprises, Mr. Griffiths gained extensive experience with manufacturing processes, corporate governance, and public company issues. Champion also provided Mr. Griffiths with valuable expertise and insight into the building products industry, which he has continued to build during his tenure at Quanex Building Products Corporation. In addition, Mr. Griffiths' time as a senior leader at SPX Corporation provided him with extensive and wide-reaching expertise in international operations management and international business in general. It also allowed him to build a great deal of experience in mergers and acquisitions, both international and domestic.

Other Directorships Since 2008: Mr. Griffiths served as a member of the Champion board from 2004 to 2010, including a term as Chairman from 2006 to 2010.

LEROY NOSBAUM, age 67

Biography: Mr. Nosbaum is the retired President and Chief Executive Officer of Itron, Inc., a \$2.2 billion NASDAQ-traded leading technology provider to the global energy and water industries and a leading provider of intelligent metering, data collection and utility software solutions. Mr. Nosbaum joined Itron in 1996, was promoted to the role of President and CEO in 2000, and was elected as Chairman in 2002. He retired from Itron in 2009, but returned as President and Chief Executive Officer in 2011, before retiring again in December 2012. Prior to his employment with Itron, Mr. Nosbaum served in various positions at Metricom, Inc. from 1989 to 1996, and at Schlumberger Limited from 1977 to 1989.

Key Attributes, Experience, and Skills: Mr. Nosbaum brings to the board strong sales, marketing and technology expertise, which he gained during his service as the Executive VP of Marketing and Sales for Metricom, Inc. In his various roles at Itron, Mr. Nosbaum also built extensive public company, strategic development, technology and manufacturing process expertise. Mr. Nosbaum gained extensive finance and acquisition experience while serving as CEO of Itron. Mr. Nosbaum also gained international experience at Itron, which is an international company with operations throughout Europe, South America, and Asia. In addition, he has built corporate governance expertise both through his role as CEO of Itron, and through his service on the Nominating and Corporate Governance Committee of Esterline Technologies.

Other Directorships Since 2008: Mr. Nosbaum served as director of Itron from 2000 to 2002 and as Chairman from 2002 to 2009. After a brief interval, Mr. Nosbaum again served as a director of Itron from 2011 until his retirement in December 2012. Mr. Nosbaum also served on the board of Esterline Technologies Corporation from 2009 to 2011.

JOSEPH RUPP, age 63

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Biography: Mr. Rupp has been Chairman, President and Chief Executive Officer of Olin Corporation since 2005. Prior to his election as Chairman, Mr. Rupp was President and Chief Executive Officer of Olin from 2002 to 2005. Prior to 2002, Mr. Rupp served in various positions with Olin, which he originally joined in 1972. Olin is a \$2.2 billion NYSE-traded basic materials company concentrated in chemicals and ammunition. Mr. Rupp holds a bachelor's degree in metallurgical engineering from the University of Missouri, Rolla.

Key Attributes, Experience, and Skills: As the CEO of Olin, Mr. Rupp has amassed strong corporate governance expertise, public company management experience, and solid financial acumen. He also brings a wealth of experience in operations management, lean manufacturing processes, and mergers and acquisitions. In addition, he has gained extensive public board experience as a director of Olin since 2002.

Other Directorships Since 2008: Mr. Rupp served as a director of Olin Corporation from 2002 to 2005, and has been Chairman of Olin's board since 2005. He also served as a director of Quanex Corporation from 2007 until its merger with Gerdau S.A. in April 2008.

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CURTIS STEVENS, age 61

Biography: Mr. Stevens is currently the Chief Executive Officer and a director of Louisiana-Pacific Corporation, a \$1.7 billion NYSE-traded building materials manufacturer. Prior to becoming CEO in May 2012, Mr. Stevens served as Louisiana-Pacific's Chief Operating Officer and Executive Vice President beginning in December 2011. Prior to assuming the role of Chief Operating Officer, Mr. Stevens served as Chief Financial Officer of Louisiana-Pacific since 1997, and as Executive Vice President, Administration, since 2002. Prior to joining Louisiana-Pacific, Mr. Stevens served for 14 years in various financial and operational positions at Planar Systems, a flat-panel display products manufacturer. Mr. Stevens holds a B.A. in Economics and an M.B.A in Finance from the University of California at Los Angeles.

Key Attributes, Experience, and Skills: Through his various roles at Louisiana-Pacific, Mr. Stevens has acquired broad experience in the building products industry. He also possesses a strong background in accounting and finance, as well as extensive expertise in information technology and supply chain management, strategy development, and public company issues. Further, Louisiana-Pacific's international operations have provided Mr. Stevens with strong international business experience.

Other Directorships Since 2008: Mr. Stevens currently serves on the board of Louisiana-Pacific.

The Board of Directors has affirmatively determined that Ms. Davis and each of Messrs. Buck, Nosbaum, Rupp, and Stevens have no material relationship with the Company and have satisfied the independence requirements of the New York Stock Exchange. In assessing director independence, the Board of Directors considered the relationships (as a customer or supplier or otherwise) of the Company with various companies with which such directors may be affiliated and has determined that there are no such relationships that, in the opinion of the Board, might impact any director's independence. In making this assessment, the Board took into account the level of transactions with such companies in relationship to the Company's and the other parties' aggregate sales, the level of director involvement in such transactions and the ability of such directors to influence such transactions. Based on its review, the Board determined that no transactions occurred during the year that might affect any non-employee director's independence. During the fiscal year, the Nominating and Corporate Governance Committee determined that there were no related party transactions, as defined by the Securities and Exchange Commission. In addition, each of such directors has met the definitions of non-employee director under Rule 16b-3 of the Securities and Exchange Act of 1934 and outside director under Section 162(m) of the Internal Revenue Code of 1986.

There are no arrangements or understandings between any person and any of the directors pursuant to which such director was selected as a nominee for election at the Meeting, and there are no family relationships among any of the directors or executive officers of the Company. Ms. Davis and Mr. Stevens have each indicated a willingness to serve if elected. If a nominee should be unable to serve or will not serve for any reason, and if any other person is nominated, the persons designated on the accompanying form of proxy will have discretionary authority to vote or refrain from voting in accordance with their judgment on such other nominee unless authority to vote on such matter is withheld. The nominee(s) receiving a plurality of votes cast at the meeting will be elected director(s). Cumulative voting is not permitted in the election of directors. Abstentions and broker non-votes will not be treated as a vote for or against any particular director and will not affect the outcome of the election of directors.

Pursuant to the Company's Corporate Governance Guidelines, any current director that is nominated for election must tender his or her resignation as a director in the event that he or she receives more withheld votes than FOR votes. In such an event, the Governance Committee and the full Board would then review and determine whether to accept or decline the tendered resignation.

Recommendation

The Board of Directors recommends that you vote FOR Ms. Davis and Mr. Stevens. Unless you give contrary instructions in your proxy, your proxy will be voted FOR the elections of Ms. Davis and Mr. Stevens. If any nominee should become unable or unwilling to accept nomination or election, the person acting under the proxy will vote for the election of such other person as the Board of Directors may recommend. The Board has no reason, however, to believe that any nominee will be unable or unwilling to serve if elected.

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PROPOSAL NO. 2
ADVISORY VOTE APPROVING NAMED EXECUTIVE OFFICER COMPENSATION

At the meeting, the stockholders will vote on an advisory resolution approving the compensation of the Company's named executive officers.

We believe that our compensation practices and procedures are competitive, focused on pay-for-performance and strongly aligned with the long-term interests of our stockholders. This advisory stockholder vote, commonly known as "Say-on-Pay," gives you as a stockholder the opportunity to express approval or withhold approval of the compensation we pay our named executive officers through voting for or against the following resolution:

Resolved, that the stockholders approve the compensation of the Company's named executive officers as disclosed in the Company's 2014 proxy statement pursuant to the disclosure rules of the Securities and Exchange Commission (which disclosure includes the Compensation Discussion and Analysis, the Summary Compensation Table and the other executive compensation tables and related discussion).

The Company and the Compensation & Management Development Committee (the "Compensation Committee") remain committed to the compensation philosophy, practices, and objectives outlined under the heading "Compensation Discussion and Analysis" located on page 25 of this proxy statement. As always, the Compensation Committee will continue to review all elements of the executive compensation program and take any steps it deems necessary to continue to fulfill the objectives of the program.

Stockholders are encouraged to carefully review the "Compensation Discussion and Analysis" section of this proxy statement for a detailed discussion of the Company's executive compensation program.

Because your vote is advisory, it will not be binding upon the Company or the board of directors. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

Board Recommendation

The Board recommends that you vote **FOR** the ratification of the advisory resolution approving the compensation of the Company's named executive officers.

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PROPOSAL NO. 3
APPROVAL OF AMENDMENT AND RESTATEMENT OF THE COMPANY'S
2008 OMNIBUS INCENTIVE PLAN

At the Annual Meeting, stockholders will be presented with a proposal to approve an amendment to and restatement of the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended to date (the Omnibus Plan), to make certain changes, including as described below. Although not all of the changes to the Omnibus Plan are required to be approved by stockholders, we have included these discretionary amendments in a single amendment and restatement of the Omnibus Plan.

Material Amendments

- Increase by 2,350,000 the number of shares of common stock reserved for issuance under the Omnibus Plan, for a total of 3,399,280 shares (less grants made between December 19, 2013 and the date stockholders approve this restatement, counted at the new fungible ratio described below).

- Add a fungible share reserve feature, which:

- makes a distinction between the number of shares in the reserve attributable to (i) stock options and stock appreciation rights (SARs) and (ii) full value awards (i.e., grants other than options/SARs, such as restricted stock, restricted stock units and performance shares/units).

- provides that shares subject to options and SARs will be counted against the share limit as one share for every one share granted, but any shares that are subject to awards other than options or SARs will be counted against the share limit as 2.06 shares for every one share granted.

- eliminates the Omnibus Plan's limit on the number of shares that may be issued pursuant to full value awards.

- Add to the share counting provisions that stock tendered by a participant or withheld by the Company to satisfy tax obligations for awards *other than* options or SARs are added back into the pool of shares available for future awards.

- Clarify our prohibition on repricing by specifically providing that the Committee (as defined below) will not (i) lower the option price per share of an option or SAR after it is granted; (ii) cancel an option or SAR when the option price per share exceeds the fair market value of one share in exchange for cash or another award (other than in connection with a change in control); or (iii) take any other action with respect to an option or SAR that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on

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which the shares of stock are listed without the approval of the Company's stockholders or other than pursuant to certain equitable adjustments as described in the Omnibus Plan.

- Make certain changes with respect to awards intended to qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), as follows:

- Modify the Section 162(m) annual award limits applicable to individual plan participants, such that (A) subject to certain equitable adjustments as provided in the Omnibus Plan, no participant may be granted (i) options or SARs during any 12-month period with respect to more than 1,500,000 shares and (ii) any share-denominated awards intended to constitute performance-based compensation (other than options or SARs) during any calendar year under which more than 1,500,000 shares may be earned for each 12 months in the vesting/performance period and (B) during any calendar year no participant may be granted any cash-denominated awards that are intended to constitute performance-based compensation under which more than \$5,000,000 may be earned for each 12 months in the performance period. Each limit is multiplied by two for awards granted to a participant during the first calendar year in which he or she commences employment with the Company.

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- Clarify that performance goals may also be measured on an absolute or relative basis and may be based on performance relative to an index, or comparisons of any of the indicators of performance relative to performance of other companies.
- Add to the list of approved criteria which may be used by the Committee in developing performance goals related to performance-based awards earnings before interest, taxes, depreciation and amortization; sales; return on assets or net assets; gross profits; gross or net profit margin; gross profit growth; net operating profit (before or after taxes); economic value-added models or equivalent metrics; cash flow; operating margin; year-end cash; cash margin; debt reduction; operating efficiencies; cost reductions or savings; customer satisfaction; customer growth; employee satisfaction; productivity or productivity ratios; and strategic partnerships or transactions; financial ratios, including those measuring liquidity, activity, profitability or leverage; acquisitions and divestitures.
- Provide that the Committee may exclude the impact of an event or occurrence which the Committee determines should appropriately be excluded, including (i) restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring charges; (ii) an event either not directly related to the operations of the Company, a Company subsidiary, division, business segment or business unit or not within the reasonable control of management; or (iii) the cumulative effects of tax or accounting changes in accordance with U.S. generally accepted accounting principles.
- Add a new limit on awards granted to non-employee directors of \$500,000 in grant date value for all awards granted to any one director in a calendar year.
- Provide that if on the last business day of the term of an option or SAR either its exercise is prohibited by law or due to a black-out period or a lock-up agreement, the term will be extended for 30 days following the end of the prohibition period.
- Add that an award agreement may provide for the automatic exercise of an option or SAR on the last day of its term if the option or SAR is in the money .
- Clarify that any substitute awards (issued in connection with an acquisition or combination) will not increase the share reserve.
- Add that unless otherwise provided in an award agreement or other agreement between a participant and the Company, in the event of a change in control , awards that are assumed, continued, or substituted will accelerate if the participant incurs a qualifying termination within 24 months following the change in control (i.e., add a double trigger provision).
- Clarify that any acceleration of awards upon a corporate change is subject to the consummation of the transaction (as opposed to the approval of an agreement that may result in a corporate change).

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- Revise the definition of “change in control” for any new equity awards to require that consummation of a reorganization, merger or consolidation or sale of the Company, or disposition of all or substantially all of the assets of the Company requires, among other things, that beneficial ownership of the Company change by more than 50% as a result of the business combination (previously this threshold was 20%).
- Revise the treatment of dividends and dividend equivalents to:
- Clarify that the payment of dividends and dividend equivalents are prohibited in connection with options or SARs;
- Provide that any dividends or dividend equivalents credited in connection with an award that vests based on the achievement of performance goals shall be subject to restrictions and risk of forfeiture to the same extent as the underlying award; and
- For awards without performance-based restrictions, provide that dividends may be paid currently or credited/accrued and paid when the underlying award vests.

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- Provide that a participant may make an election under Section 83(b) of the Code with notice to the Company, rather than requiring prior approval of the CFO or General Counsel.
- Clarify that the Committee may allow for the deferral of compensation payable under awards.
- Provide that the term of the Omnibus Plan expires on February 27, 2024.
- Make certain other clarifying and ministerial changes.

Background

On February 18, 2008, the Omnibus Plan was approved by the Company's sole stockholder at the time, Quanex Building Products, L.L.C. On February 28, 2008, the Company's Board of Directors adopted the Omnibus Plan. The material terms of the performance goals that may apply to performance-based awards granted under the Omnibus Plan were approved at the 2009 annual meeting of stockholders. On February 24, 2011, the Company's stockholders approved an amendment of the Omnibus Plan by which the aggregate number of shares available for awards was increased by 2,400,000 shares.

On December 4, 2013, the Board of Directors unanimously approved the amendment and restatement of the Omnibus Plan, subject to approval by the Company's stockholders at the Annual Meeting. To take effect, the amendment and restatement of the Omnibus Plan must be approved by the Company's stockholders. If this amendment and restatement is not approved by the Company's stockholders, the Omnibus Plan as in effect immediately prior to December 4, 2013 will continue to operate according to its terms.

Section 162(m) of the Code

The Board of Directors believes that it is in the best interests of the Company and its stockholders to provide for an equity incentive plan under which compensation awards made to the Company's executive officers may be eligible to qualify for deductibility by the Company for federal income tax purposes. Accordingly, the Omnibus Plan is designed to permit the grant of awards that are intended to qualify as performance-based compensation not subject to the \$1,000,000 deductibility cap under Section 162(m) of the Code (Section 162(m)); however, there is no guarantee that amounts payable under the Omnibus Plan will be treated as qualified performance-based compensation under Section 162(m). In general, under Section 162(m), for the Company to be able to deduct compensation in excess of \$1,000,000 paid in any one year to the Company's chief executive officer or any of the Company's three other most highly compensated executive officers (other than the Company's chief financial officer), such compensation must qualify as performance-based. One of the requirements of performance-based compensation for purposes of Section 162(m) is that when the Company has discretion in setting performance goals under which compensation may be paid the material terms of the performance goals must be disclosed to and approved by the Company's stockholders at least once every five years. For purposes of Section 162(m), the material terms include (i) the employees eligible to receive compensation; (ii) a description of the business criteria on which the performance goal is based; and (iii) the maximum amount of compensation that can be paid to an employee

under the performance goal. With respect to the various types of awards under the Omnibus Plan, each of these aspects is discussed below, and, as noted above, approval of the Omnibus Plan itself will constitute approval of each of these aspects of the Omnibus Plan for purposes of the approval requirements of Section 162(m).

Proposed Share Increase

The purpose of the current proposed increase in shares available for awards under the Omnibus Plan is to secure adequate shares to fund expected awards under the Omnibus Plan through the 2018 fiscal year. We believe the current number of shares available for grant is insufficient and will seriously harm our ability to attract and retain qualified employees and directors. Further, we believe that the additional shares, under these circumstances, represents a reasonable amount of potential equity dilution and allows the Company to recruit, motivate and retain talented employees and directors who will help us achieve our business goals, including creating long-term value for our stockholders. Notwithstanding the above, we cannot guarantee that the share authorization will last until 2018, and in the event of unanticipated needs or circumstances, may have to request additional shares prior to 2018.

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The following table sets forth certain information about the Omnibus Plan as of December 19, 2013:

Number of shares that will be authorized for future grant after stockholder approval of the Omnibus Plan(1)	3,399,280
Number of shares relating to outstanding stock options at December 19, 2013	3,032,576
Number of shares outstanding at December 19, 2013, relating to awards of restricted stock, restricted stock units, and stock settled performance shares	344,550
Weighted average remaining term of outstanding options	7.05
Weighted average exercise price of outstanding options	15.72

(1) Grants of stock-based awards other than options or SARs will count against the authorization as 2.06 shares. The authorization will also be reduced by the number of shares granted between December 19, 2013 and the date of stockholder approval at the fungible ratio.

Run Rate; Dilution

In order to give the Company flexibility to address its future equity compensation needs, we are requesting approval of amendment and restatement of the Company's 2008 Omnibus Incentive Plan, which increases the number of shares authorized for issuance under the plan by 2,350,000. Approval of the plan is necessary for the Company to continue to:

- recruit and retain talented executives;
- make a significant portion of each executive's pay variable and at-risk; and
- align the interests of the management team with shareholders.

In determining the number of shares to request, the Company reviewed the potential dilution to current shareholders as measured by run rate and overhang, and projected future share usage.

Run Rate

The run rate is the ratio of the number of shares underlying awards, granted under the Company's incentive plans to the number of Quanex's common shares outstanding at the corresponding fiscal year-end. Over the past three-years, the Company's average run rate has been

approximately 1.8%.

Overhang

The overhang is the ratio of the number of outstanding equity awards and shares available for grant to the common shares outstanding at the end of the fiscal year. As of December 19, 2013, the Company's overhang is approximately 11.9%.

Summary of the Omnibus Plan as Amended and Restated

The principal provisions of the Omnibus Plan are summarized below. This summary is not a complete description of the Omnibus Plan. You are urged to read the full text of the Omnibus Plan, as amended and restated, attached as *Annex A* to this proxy statement, for additional information not contained in this summary.

Purpose. The Omnibus Plan was established to provide those persons who have substantial responsibility for the management and growth of the Company and its affiliates with additional performance incentives and an opportunity to obtain or increase their proprietary interest in the Company, thereby encouraging them to continue in their employment or affiliation with us and our affiliates.

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Eligibility. Key employees (approximately 50 persons) and directors (approximately 6 persons) of the Company are eligible to receive awards under the Plan. Eligibility will be determined by the Committee, which has exclusive authority to select the participants to whom awards may be granted, and may determine the type, size and terms of each award.

Duration. Subject to earlier termination pursuant to plan terms, awards may be granted under the Omnibus Plan at any time and from time to time on or prior to February 27, 2024, the tenth anniversary of the effective date of the restatement, on which date the Omnibus Plan will expire except as to awards then outstanding. Such outstanding awards will remain in effect until they have been exercised or terminated, or have expired by their terms. For the avoidance of doubt, if this restated Omnibus Plan is not approved by stockholders at the Annual Meeting, then the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as in effect immediately prior to the Board's adoption of this restated version, will continue to exist and operate according to all of the terms and conditions of such prior version.

Types of Awards. The Omnibus Plan provides for the granting of stock options, SARs, restricted stock, restricted stock units, performance share awards, performance unit awards, annual incentive awards, other stock-based awards and cash-based awards. Certain awards under the Omnibus Plan may be paid in cash or in common stock, as determined by the Committee.

Administration. The Omnibus Plan is administered by the Compensation Committee of the Board of Directors, or a subcommittee thereof formed by the Compensation Committee to act as the committee under the Omnibus Plan. For purposes of this proposal and summary, the administering entity is referred to as the Committee. The Committee will consist of no fewer than two directors, each of whom is (i) a non-employee director within the meaning of Rule 16b-3 under the Securities Exchange Act; (ii) an outside director within the meaning of Section 162(m); and (iii) an independent director for purpose of the rules of the principal U.S. national securities exchange on which the shares of Quanex common stock are traded. The Committee will make all determinations that it decides are necessary or desirable in the interpretation and administration of the Omnibus Plan.

To the extent not inconsistent with applicable law, including Section 162(m) and the rules of the NYSE, the Committee may delegate to a committee of one or more directors any of its authority under the Omnibus Plan, including the right to grant, cancel or suspend awards, and may also authorize one or more executive officers to do one or more of the following with respect to employees who are not directors or executive officers of the Company: (i) designate employees to be recipients of awards; (ii) determine the number of shares subject to such awards; and (iii) cancel such awards; provided that any authorizing resolution must specify the total number of shares subject to awards that such officer(s) may so award and the Committee may not authorize any officer to designate himself or herself as the recipient of an award.

Shares Subject to the Omnibus Plan. A total of 3,399,280 shares will be reserved for awards under the Omnibus Plan following approval of the restatement by the stockholders, less one share for every one share that was subject to an option or SAR granted after December 19, 2013 and 2.06 shares for every one share that was subject to an award other than an option or SAR granted after December 19, 2013 under the Omnibus Plan. Any shares that are subject to options or SARs granted thereafter will be counted against this limit as one share for every one share granted, and any shares that are subject to awards other than options or SARs granted thereafter will be counted against this limit as 2.06 shares for every one share granted. Any shares issued under the Omnibus Plan may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares purchased in the open market or otherwise.

If after December 19, 2013, any shares subject to an award are forfeited, an award expires or is settled for cash (in whole or in part), then in each such case the shares subject to such award will, to the extent of such forfeiture, expiration or cash settlement, be added to the shares available for awards under the Omnibus Plan, in accordance with a new fungible ratio. If, after December 19, 2013, withholding tax liabilities arising from a full value award are satisfied by the tendering of shares (either actually or by attestation) or by the withholding of shares by the Company, the

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shares so tendered or withheld will be added to the shares available for awards under the Omnibus Plan in accordance with fungible ratio below. Notwithstanding the foregoing, the following shares will not be added to the share reserve after December 19, 2013: (i) shares tendered by a participant or withheld by the Company in payment of the purchase price of an option; (ii) shares tendered by a participant or withheld by the Company to satisfy any tax withholding obligation with respect to options or SARs; (iii) shares subject to a SAR that are not issued in connection with its stock settlement; and (iv) shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of options.

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Any shares that again become available for awards under the Omnibus Plan will be added as (i) one share for every one share subject to options or SARs, and (ii) as 2.06 shares for every one share subject to awards other than options or SARs.

Substitute Awards. Shares of common stock under awards made under the Omnibus Plan in substitution or exchange for awards granted by a company acquired by Quanex or a subsidiary, or with which Quanex or a subsidiary combine (Substitute Awards), do not reduce the shares authorized for grant under the Omnibus Plan or the limitations on annual grants to a participant, nor will shares subject to a Substitute Award be added to the shares available for awards under the Omnibus Plan. The terms and conditions of such Substitute Awards may vary from the terms and conditions set forth in the Omnibus Plan to such extent as the Board of Directors may deem appropriate to conform to the provisions of the award for which the substitution is being granted. Additionally, if a company acquired by the Company or any Company subsidiary or with which the Company or any Company subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan may be used for awards under the Omnibus Plan and will not reduce or be added to the shares authorized for grant under the Omnibus Plan; provided that awards using such available shares will not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and will only be made to individuals who were not employees or directors prior to such acquisition or combination.

Director Awards. The aggregate grant date fair value (computed as of the date of grant in accordance with applicable financial accounting rules) of all awards granted to any non-employee director during any single calendar year will not exceed \$500,000.

Annual Award Limits. Subject to certain equitable adjustments as provided in the Omnibus Plan, no participant may be granted (i) options or SARs during any 12-month period with respect to more than 1,500,000 shares and (ii) any other awards intended to constitute performance-based compensation during any calendar year and are denominated in shares under which more than 1,500,000 shares may be earned for each 12 months in the vesting period or performance period. During any calendar year no participant may be granted awards that are intended to constitute performance-based compensation and are denominated in cash under which more than \$5,000,000 may be earned for each 12 months in the performance period. Each of these limitations will be multiplied by two with respect to awards granted to a participant during the first calendar year in which he or she commences employment with the Company. If an award is cancelled, the cancelled award will continue to be counted toward the applicable limitation.

Prohibition on Repricing. Other than pursuant to certain equitable adjustments (as described in the Omnibus Plan), the Committee will not without the approval of the Company's stockholders (i) lower the option price per share of an option or SAR after it is granted; (ii) cancel an option or SAR when the option price per share exceeds the fair market value of one share in exchange for cash or another award (other than in connection with a change in control); or (iii) take any other action with respect to an option or SAR that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the shares of stock are listed.

Restrictions on Transferability. Except as provided below, no award and no shares that have not been issued or as to which any applicable restriction, performance or deferral period has not lapsed, may be sold, assigned, transferred, pledged or otherwise encumbered, other than by will or the laws of descent and distribution, and such award may be exercised during the life of the holder only by the holder or the holder's guardian or legal representative. To the extent and under such terms and conditions as determined by the Committee, an award holder may assign or transfer an award without consideration (i) to the holder's spouse, children or grandchildren (including any adopted and step children or grandchildren), parents, grandparents or siblings; (ii) to a trust for the benefit of one or more of the holder or the persons referred to in clause (i); (iii) to a partnership, limited liability company or corporation in which the holder or the persons referred to in clause (i) are the only partners, members or shareholders; or (iv) for charitable donations; provided that such permitted assignee will be bound by and subject to all of the terms and conditions of the Omnibus Plan and the award agreement.

Stock Options. The Committee may grant non-qualified stock options under the Omnibus Plan. A stock option entitles the recipient to purchase a specified number of shares of common stock at a fixed price subject to terms and conditions set by the Committee, including conditions for exercise that must be satisfied, which typically will be based solely on continued provision of services. The purchase price of shares of common stock covered by a stock option cannot be less than 100% of the fair market value of the common stock on the date the option is granted (except for Substitute Awards).

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Fair market value of the common stock is generally equal to the closing price for Quanex common stock on the NYSE on the date the option is granted (or if there was no closing price on that date, on the last preceding date on which a closing price was reported). No option granted under the Omnibus Plan will have a term longer than ten years from the date of grant. The closing price of the Company's stock on the NYSE on October 31, 2013 was \$17.78 per share.

The exercise price for options may be paid (i) by cash, certified check, bank draft or money order; (ii) by means of a cashless exercise; or (iii) in any other form of payment which is acceptable to the Committee. The Committee may also permit a holder to pay the option price and any applicable tax withholding by authorizing the sale or other disposition of all or a portion of the shares of common stock acquired upon exercise of the option and remit to the Company a sufficient portion of the sale proceeds to pay the option price and applicable tax withholding. Other terms and conditions applicable to options may be determined by the Committee at the time of grant.

Notwithstanding the foregoing, if on the last business day of the term of an option (i) the exercise of the option is prohibited by applicable law or (ii) shares may not be purchased or sold by certain employees or directors of the Company due to the black-out period of a Company policy or a lock-up agreement undertaken in connection with an issuance of securities by the Company, the term of the option will be extended for a period of 30 days following the end of the legal prohibition, black-out period or lock-up agreement. In addition, an award agreement may provide that if on the last day of the term of an option the fair market value of one share exceeds the option price per share, the holder has not exercised the option (or a tandem SAR, if applicable) and the option has not expired, the option will be deemed to have been exercised by the holder on such day via a net exercise procedure.

SARs. Subject to the terms and conditions of the Omnibus Plan, a SAR entitles its holder a right to receive a cash amount equal to the excess of (i) the fair market value of one share of the Company's common stock on the date of exercise of the SAR over (ii) the grant price of the SAR. All SARs to be granted under the Omnibus Plan will have a grant price equal to or greater than the fair market value of the Company's common stock at the time the SAR is granted.

The Committee may determine the term of any SAR, not to exceed ten years. Other terms and conditions of SARs will be determined by the Committee pursuant to the terms of the Omnibus Plan, including treatment of a SAR upon a termination of employment. Upon the exercise of a SAR, a holder will be entitled to receive payment in an amount determined by multiplying (i) the excess of the fair market value of a share of common stock on the date of exercise over the grant price of the SAR by (ii) the number of shares of common stock with respect to which the SAR is exercised. At the discretion of the Committee, this payment may be in cash, common stock, or a combination thereof, as determined by the Committee.

Notwithstanding the foregoing, if on the last business day of the term of a SAR (i) the exercise of the option is prohibited by applicable law or (ii) shares may not be purchased or sold by certain employees or directors of the Company due to the black-out period of a Company policy or a lock-up agreement undertaken in connection with an issuance of securities by the Company, the term of the SAR will be extended for a period of 30 days following the end of the legal prohibition, black-out period or lock-up agreement. In addition, an award agreement may provide that if on the last day of the term of a SAR the fair market value of one share exceeds the SAR price per share, the holder has not exercised the SAR and the SAR has not expired, the SAR will be deemed to have been exercised by the holder on such day via a net exercise procedure.

Restricted Stock Awards. The Committee may grant restricted stock to participants under the Omnibus Plan, and will determine the amount of an award of restricted stock, any vesting or transferability provisions, and any other terms and conditions consistent with the Omnibus Plan.

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Subject to the terms and conditions of the Omnibus Plan, each recipient of a restricted stock award will have the rights of a stockholder of the Company with respect to the shares of restricted stock included in the award during any period of restriction established for the award. Unless otherwise provided in an award agreement, dividends to be paid with respect to restricted stock (other than dividends paid by means of shares of common stock or rights to acquire shares of common stock) will be paid to the holder of restricted stock currently. Dividends paid in shares of common stock or rights to acquire shares of common stock will be added to and become a part of the holder's restricted stock. Notwithstanding the foregoing, dividends or dividend equivalents credited in connection with a restricted stock award that vests based on the achievement of performance goals will not be paid currently, and instead will be subject to restrictions and risk of forfeiture to the same extent as the underlying award.

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Restricted Stock Unit Awards. A restricted stock unit award is similar in nature to a restricted stock award except that in the case of a restricted stock unit, no shares of common stock are actually transferred to a holder until a later date as specified in the applicable award agreement. Each restricted stock unit will have a value equal to the fair market value of a share of common stock. Payment under a restricted stock unit award will be made in either cash or shares of common stock, as specified in the applicable award agreement. Other terms and conditions applicable to restricted stock units may be determined by the Committee at the time of grant consistent with the Omnibus Plan.

Performance Share Awards and Performance Unit Awards. Performance share awards and performance unit awards may be granted under the Omnibus Plan, contingent on the achievement of performance-based vesting conditions. Such awards may be payable in cash or shares, or a combination thereof as determined by the Committee. Performance shares are any grant of a unit valued by reference to a designated number of shares of the Company's common stock, and a performance unit means any grant of a unit valued by reference to a designated amount of cash or property other than shares of the Company's common stock, each of which value may be paid to the holder upon achievement of specified performance goals.

A participant who holds a performance share award or performance unit award will only have those rights specifically provided for in the award agreement; provided, however, in no event will the participant have voting rights with respect to such award. Dividends paid in shares of common stock or rights to acquire shares of common stock will be added to and become a part of the holder's performance share or performance unit award and will not be paid currently, and instead will be subject to restrictions and risk of forfeiture to the same extent as the underlying award.

Annual Incentive Awards. The Committee may grant annual incentive awards under the Omnibus Plan. Annual incentive awards will be payable in cash or shares of common stock, as determined by the Committee. Subject to the terms and provisions of the Omnibus Plan, the Committee will determine the material terms of annual incentive awards, including the amount of the award, any vesting or transferability restrictions, and the performance period over which any applicable performance goals will be measured.

Other Stock-Based Awards. The Committee may also grant other types of equity-based or equity-related awards not otherwise described by the terms and provisions of the Omnibus Plan in such amounts, and subject to such terms and conditions, as the Committee may determine (including treatment upon a termination of employment and whether the awards are subject to any performance-based vesting conditions). Such awards may involve the transfer of shares of common stock to holders, or payment in cash or otherwise of amounts based on the value of shares of common stock, and may include awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States. Such awards may be payable in cash or shares of common stock, as determined by the Committee. Each other stock-based award will be expressed in terms of shares of common stock or units based on shares of common stock, as determined by the Committee.

Cash-Based Awards. The Committee may grant cash-based awards in such amounts and upon such terms as the Committee may determine (including treatment upon a termination of employment). If the Committee exercises its discretion to establish performance goals, the number and/or value of cash-based awards that will be paid out to the holder will depend on the extent to which such performance goals are met. Any payment with respect to a cash-based award will be made in cash.

Performance-Based Compensation. Subject to the terms and provisions of the Omnibus Plan, the Committee may grant awards that are intended to qualify as performance-based compensation under Section 162(m) to an employee of the Company or a Company subsidiary who is (or may be, as of the end of the tax year in which the Company would claim an applicable tax deduction), a covered employee within the meaning of Section 162(m) (a Covered Employee). The vesting of any award that is intended to qualify as performance-based compensation (other than options and SARs) will be based upon the attainment of specific performance goals (the Performance Goals) as the Committee may determine.

The Performance Goals upon which the payment or vesting of an award to a Covered Employee (or a participant who may be, as of the end of the tax year in which the Company would claim a tax deduction in connection with such award, a Covered Employee) that is intended to qualify as performance-based compensation will be limited to one or more of the following Performance Goals, which may be based on one or more business criteria that apply to the participant, one or more business units, segments, or divisions of the Company, the Company as a whole, or a subsidiary of the Company, with reference to one or more of the following: earnings per share; total stockholder return; cash return on capitalization;

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increased revenue; revenue ratios (per employee or per customer); net income; stock price; market share; return on equity; return on assets; return on capital; return on capital compared to cost of capital; return on capital employed; return on invested capital; stockholder value; net cash flow; operating income; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; cash flow; cash flow from operations; cost reductions and cost ratios (per employee or per customer); sales; return on assets or net assets; gross profits; gross or net profit margin; gross profit growth; net operating profit (before or after taxes); economic value-added models or equivalent metrics; operating margin; year-end cash; cash margin; debt reduction; operating efficiencies; cost reductions or savings; customer satisfaction; customer growth; employee satisfaction; productivity or productivity ratios; strategic partnerships or transactions; financial ratios, including those measuring liquidity, activity, profitability or leverage; acquisitions and divestitures; or the achievement of specified milestones or the completion of specified projects identified as contributing substantially to the Company's success or value or the attainment of the Company's strategic goals. Goals may also be measured on an absolute or relative basis and may be based on performance relative to a peer group of companies, an index, or comparisons of any of the indicators of performance relative to performance of other companies. Unless otherwise stated, such a Performance Goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). The Committee may provide for exclusion of the impact of an event or occurrence which the Committee determines should appropriately be excluded, including (a) restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring charges; (b) an event either not directly related to the operations of the Company, a Company subsidiary, division, business segment or business unit or not within the reasonable control of management; or (c) the cumulative effects of tax or accounting changes in accordance with U.S. generally accepted accounting principles. In interpreting the Performance Goals and awards intended to qualify as performance-based compensation, it is intended that the Omnibus Plan will comply with the standards of Section 162(m). With respect to any award that is intended to qualify as performance-based compensation (other than options or SARs), the Performance Goals (and any exclusions) will be established by the Committee prior to the earlier of 90 days after the commencement of the performance period or the lapse of 25% of the performance period, and prior to payment, the Committee must certify in writing that applicable Performance Goals and any of the material terms thereof were, in fact, satisfied.

Subject to the terms of the Omnibus Plan, the Committee may adjust downwards, but not upwards, the amount payable pursuant to an award intended to qualify as performance-based compensation, and the Committee may not waive the achievement of the applicable Performance Goals except in the case of the death or disability, or as otherwise determined by the Committee in special circumstances, as permitted under Section 162(m).

Dividend Equivalents. Subject to the provisions of the Omnibus Plan and any award agreement, the recipient of an award other than an option or SAR may, if so determined by the Committee, be entitled to receive, currently or upon performance and/or time vestings, dividend equivalents with respect to the number of shares covered by the award (or dividends in the case of a restricted stock award). The Committee may provide that the dividend equivalents (if any) will be deemed to have been reinvested in additional shares or otherwise reinvested and may provide that the dividend equivalents are subject to the same vesting or performance conditions as the underlying award. Notwithstanding the foregoing, dividends or dividend equivalents credited in connection with an award that vests based on the achievement of performance goals will be subject to the same restrictions and risk of forfeiture to the same extent as the underlying award.

Deferrals. The Committee is authorized to establish procedures pursuant to which the payment of any award may be deferred. Any deferral permitted under the Omnibus Plan will be administered in a manner that is intended to comply with Section 409A of the Code.

Change in Control; Termination Following Change in Control. Unless otherwise provided in an award agreement or other agreement between a participant and the Company, the Committee will have the right to provide that in the event of a change in control (as defined in the Omnibus Plan): (i) options and SARs will be cancelled without payment if the fair market value of one share as of the date of the change in control is less than the per share exercise price or SAR grant price; and (ii) all performance-based awards will be (A) considered earned and payable based on achievement of performance goals or based on target performance (either in full or pro rata), and any other restrictions will lapse or (B) converted into time-based awards based on achievement of performance goals or based on target performance (either in full or pro rata based).

Unless otherwise provided in an award agreement or other agreement between a participant and the Company, in the event of a change in control in which the successor company assumes or substitutes for an outstanding award (or in which the Company is the ultimate parent corporation and continues the award), if a participant's employment with such successor

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company (or the Company) or a subsidiary thereof terminates within 24 months following such change in control and under the circumstances specified in the award agreement or other Company agreement: (x) options and SARs outstanding as of the date of such termination of employment will immediately vest, become fully exercisable, and may thereafter be exercised for 24 months; and (y) the restrictions applicable to awards other than options and SARs outstanding as of the date of such termination will lapse.

Unless otherwise provided in an award agreement or other agreement between a participant and the Company, in the event of a change in control to the extent the successor company does not assume or substitute for an outstanding award (or in which the Company is the ultimate parent corporation and does not continue the award), then immediately prior to the change in control: options and SARs outstanding as of the date of the change in control that are not assumed or substituted for (or continued) will immediately vest; restrictions applicable to other awards that are not assumed or substituted for (or continued) will lapse; and any performance-based award will be either deemed fully earned at the target amount or earned based on performance as of the date on which the change of control occurs, as set forth in the award agreement.

The Committee may determine that, upon the occurrence of a change in control, each option and SAR outstanding will terminate within a specified number of days after notice to the holder, and/or that each holder will receive, with respect to each share subject to such option or SAR, an amount equal to the excess of the fair market value of such share immediately prior to the change in control over the exercise price per share.

Changes in Capital Structure; Equitable Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property, other than a regular cash dividend), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the shares of common stock or the value thereof, such adjustments and other substitutions will be made to the Omnibus Plan and to awards in a manner the Committee deems equitable or appropriate taking into consideration the accounting and tax consequences, including such adjustments in the aggregate number, class and kind of securities that may be delivered under the Omnibus Plan, the annual award limits for share-based awards, and, in the aggregate or to any participant, in the number, class, kind and option or exercise price of securities subject to outstanding awards.

In addition, if the Company is not the surviving entity in any merger, consolidation or other reorganization (or survives only as a subsidiary of an entity than was not previously wholly-owned by the Company); the Company sells, leases or exchanges all or substantially all of its assets (other than an entity wholly-owned by the Company); the Company is to be dissolved; or the Company is a party to any other corporate transaction as defined under Section 424(a) of the Code and applicable regulations, the Committee may make equitable adjustments to outstanding awards, which may include acceleration or cancellation of some or all outstanding awards, as determined by the Committee, subject to the consummation of the applicable transaction.

Amendment and Termination. The Omnibus Plan may be amended or terminated by the Board of Directors except that stockholder approval is required for any amendment to the Omnibus Plan which increases the number of shares available for awards under the Plan, expands the types of awards available under the Plan, materially expands the class of persons eligible to participate in the Plan, permits the grant of options or SARs with an exercise or grant price of less than 100% of fair market value on the date of grant, amends the provisions prohibiting the repricing of stock options and SARs, increases the limits on shares subject to awards or the dollar value payable with respect to performance-based awards, or takes any action with respect to an option or SAR that may be treated as a repricing under the rules of the principal exchange on which the shares of stock are traded. No amendment or termination may materially impair a participant's rights under an award previously granted under the Plan without the written consent of the participant.

Table of Contents**New Plan Benefits**

The benefits or amounts that will be received by or allocated under the Omnibus Plan to executive officers, non-executive directors and employees other than executive officers by reason of the restatement are not yet determinable. Future awards or grants are in the discretion of the Committee and cannot be determined at this time.

The table below sets forth the number of restricted stock awards, stock options and performance share units that were granted under the Omnibus Plan in fiscal 2014 through January 1, 2014. The dollar value represents the aggregate of the grant date fair value computed in accordance with FASB ASC Topic 718 of the respective restricted stock, stock option, and performance share unit awards. If the restatement is not approved, the grants will remain outstanding.

**2008 OMNIBUS INCENTIVE PLAN
EQUITY AWARDS GRANTED DURING FISCAL 2014 (THROUGH JANUARY 1, 2014)**

Name and Position	Restricted Stock Awards		Stock Options		Performance Share Units	
	Number of Units (#)	Grant Date Fair Value (\$)	Number of Units (#)	Grant Date Fair Value (\$)	Number of Units (#)	Grant Date Fair Value (1) (\$)
William C. Griffiths Chairman of the Board, President & Chief Executive Officer	30,300	\$ 534,189	55,800	\$ 474,858	60,600	\$ 593,426
Brent L. Korb Senior Vice President Finance & Chief Financial Officer	9,900	174,537	18,200	154,882	19,800	193,892
Kevin P. Delaney Senior Vice President General Counsel & Secretary	8,400	148,092	15,500	131,905	16,800	164,514
Martin Ketelaar Vice President Treasurer & Investor Relations	2,200	38,786	4,100	34,891	4,500	44,066
Dewayne Williams Vice President Contoller	2,200	38,786	4,100	34,891	4,500	44,066
Executive Group	53,000	934,390	97,700	831,427	106,200	1,039,964
Non-Executive Director Group						
Non-Executive Officer Employee Group	27,400	482,837	59,600	508,347	49,600	485,708
TOTAL:	80,400	\$ 1,417,227	157,300	\$ 1,339,774	155,800	\$ 1,525,672

(1) As more fully discussed in the Compensation Discussion and Analysis section of this proxy statement, the Performance Share Units included in this table become payable only to the extent that the Company meets certain performance goals related to Earnings Per Share Growth and Relative Total Shareholder Return for the period from November 1, 2013 through October 31, 2016. If the performance goals are met, the value of each unit will be paid half in shares and half in cash, based on the value of the Company's common stock at the end of the performance period. The grant date fair value of these Performance Share Units was determined by means of a Monte Carlo simulation for that portion of the award based on Relative Total Shareholder Return, and by measuring stock price as of the date of grant for that portion of the award based on Earnings Per Share Growth. The grant date fair value listed in this chart reflects solely that portion of the Performance Share Units that is expected to be settled in Quanex shares, and does not reflect the value of that portion of the Performance Share Units that is expected to be

settled in cash.

Tax Aspects of the Omnibus Plan

The following discussion summarizes certain federal income tax consequences of the issuance and receipt of options and other awards pursuant to the Omnibus Plan under the law as in effect on the date of this proxy statement. The rules governing the tax treatment of such options and awards are quite technical, so the following discussion of tax consequences is

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necessarily general in nature and is not complete. In addition, statutory provisions are subject to change, as are their interpretations, and their application may vary in individual circumstances. This summary does not purport to cover all federal employment tax or other federal tax consequences associated with the Omnibus Plan, nor does it address state, local, or non-U.S. taxes.

Options and SARs. A participant generally is not required to recognize income on the grant of an option or a SAR. Instead, ordinary income generally is required to be recognized on the date the option or SAR is exercised. In general, the amount of ordinary income required to be recognized is: (i) in the case of an option, an amount equal to the excess, if any, of the fair market value of the shares on the exercise date over the exercise price; and (ii) in the case of a SAR, the fair market value of any shares or cash received upon exercise.

Restricted Stock Units, Performance Share Awards, Performance Unit Awards, and Other Stock-Based Awards. A participant who is granted restricted stock units, performance shares, performance units, or other stock-based awards that are subject to restrictions, generally does not recognize income at the time of the grant. When the award vests or is paid, the participant generally recognizes ordinary income in an amount equal to the fair market value of the stock or units at such time, and the Company will receive a tax deduction. A participant who is granted unrestricted shares will recognize ordinary income in the year of grant equal to the fair market value of the shares received.

Annual Incentive Awards and Cash-Based Awards. Upon payment of an annual incentive award or cash-based award, a participant is required to recognize ordinary income in the amount of the award paid.

Restricted Common Stock. Unless a participant who receives an award of restricted common stock makes an election under Section 83(b) of the Code as described below, the participant generally is not required to recognize ordinary income on the grant of restricted stock. Instead, on the date the shares vest (i.e., become transferable and no longer subject to forfeiture), the participant will be required to recognize ordinary income in an amount equal to the excess, if any, of the fair market value of the shares on such date over the amount, if any, paid for such shares. If a Section 83(b) election has not been made, any dividends received with respect to restricted common stock that are subject at that time to a risk of forfeiture or restrictions on transfer generally will be treated as compensation that is taxable as ordinary income to the recipient. If a participant makes a Section 83(b) election within 30 days of the date of transfer of the restricted common stock, the participant will recognize ordinary income on the date the shares are awarded. The amount of ordinary income required to be recognized is an amount equal to the excess, if any, of the fair market value of the shares on the date of award over the amount, if any, paid for such shares. In such case, the participant will not be required to recognize additional ordinary income when the shares vest. However, if the shares are later forfeited, a loss can only be recognized up to the amount the participant paid, if any, for the shares.

Gain or Loss on Sale or Exchange of Shares. In general, gain or loss from the sale or exchange of shares granted or awarded under the Omnibus Plan will be treated as capital gain or loss, provided that the shares are held as capital assets at the time of the sale or exchange.

Deductibility by the Company. To the extent that a participant recognizes ordinary income in the circumstances described above, the Company or the subsidiary for which the participant performs services will be entitled to a corresponding deduction, provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an excess parachute payment within the meaning of section 280G of the Code and is not disallowed by the \$1,000,000 limitation on certain executive compensation under section 162(m) (see Performance-Based Compensation and Parachute Payments below).

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Performance-Based Compensation. In general, under Section 162(m), remuneration paid by a public corporation to its Chief Executive Officer and its other three most highly compensated officers (excluding the chief financial officer), ranked by pay, is not deductible to the extent it exceeds \$1 million for any year. Taxable payments or benefits under the Omnibus Plan may be subject to this deduction limit. However, under Section 162(m), qualifying performance-based compensation, including income from stock options and other performance-based awards that are made under shareholder approved plans and that meet certain other requirements, is exempt from the deduction limitation. The Omnibus Plan has been designed so that the Committee in its discretion may grant qualifying exempt performance-based awards under the Omnibus Plan.

Parachute Payments. Under the so-called "golden parachute" provisions of the Code, the accelerated vesting of options and benefits paid under other awards in connection with a change of control of a corporation may be required to be valued and taken into account in determining whether participants have received compensatory payments, contingent on the

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change of control, in excess of certain limits. If these limits are exceeded, a portion of the amounts payable to the participant may be subject to an additional 20% federal tax and may be nondeductible to the corporation.

Withholding. Awards under the Omnibus Plan may be subject to tax withholding. Where an award results in income subject to withholding, the Company may require the participant to remit the withholding amount to the Company or cause shares of common stock to be withheld or sold in order to satisfy the tax withholding obligations.

Section 409A. Awards under the Omnibus Plan may, in some cases, result in the deferral of compensation that is subject to the requirements of Section 409A of the Code. Generally, to the extent that the grant, deferral, vesting or payment of these awards fails to meet certain requirements under Section 409A of the Code, such awards will be subject to immediate taxation, additional taxation, interest and penalties in the year they vest unless the requirements of Section 409A of the Code are satisfied. It is the intent of the Company that awards under the Omnibus Plan will be structured and administered in a manner that either complies with or is exempt from the requirements of Section 409A of the Code.

Board Recommendation

Ratification of this proposal will require the affirmative vote of a majority of the votes cast upon the proposal at the Annual Meeting.

The Board recommends that you vote **FOR** the approval of the amendment and restatement of the Omnibus Plan.

Table of Contents**EXECUTIVE OFFICERS**

Set forth below is certain information concerning the executive officers of the Company, each of whom serves at the pleasure of the Board of Directors. There is no family relationship between any of these individuals or any of the Company's directors. There are no arrangements or understandings between any person and any of the executive officers pursuant to which such executive officer was selected as an executive officer, except for arrangements or understandings with such executive officer acting solely in such executive officer's capacity as such.

Name and Age	Office and Length of Service
William C. Griffiths, 62	Chairman of the Board, President and Chief Executive Officer since 2013
Brent L. Korb, 41	Senior Vice President Finance and Chief Financial Officer since 2008
Kevin P. Delaney, 52	Senior Vice President General Counsel and Secretary since 2007
Martin P. Ketelaar, 48	Vice President Investor Relations since 2012 and Vice President- Treasurer and Investor Relations since 2013
M. Dewayne Williams, 43	Vice President Controller since 2013

Mr. Griffiths was elected Chairman, President and Chief Executive Officer of the Company effective July 9, 2013. Prior to joining the Company, Mr. Griffiths served as the Managing Director and a member of the board of directors of Sealine (International) Ltd., a privately held manufacturer of yachts and other marine vessels based in the United Kingdom, from 2012 until it was sold in June 2013. Prior to joining Sealine in 2012, Mr. Griffiths served as Chairman of the Board, President and CEO of Champion Enterprises, Inc., a NYSE-traded producer of modular and manufactured housing until 2010. He joined Champion as a Director, and as President and Chief Executive Officer, in August 2004, and was named Chairman of the Board in 2006. Champion filed for Chapter 11 bankruptcy on November 15, 2009. From 2001 to 2004, Mr. Griffiths was President Fluid Systems Division at SPX Corporation, a global multi-industry company located in Charlotte, North Carolina. Mr. Griffiths graduated from the University of London with a BS with Honors in Mining Engineering. In addition, Mr. Griffiths is a graduate of the Harvard Business School's PMD executive education program.

Mr. Korb was named Senior Vice President Finance and Chief Financial Officer of the Company on August 1, 2008. Mr. Korb was named Vice President Controller of Quanex Corporation in 2005, and was elected to the same position with the Company upon its creation on December 12, 2007. Prior to his election as Vice President Controller of Quanex Corporation, Mr. Korb served as Assistant Controller of Quanex Corporation from 2003 to 2005. Prior to that time, Mr. Korb was Controller & Director of Business Analysis since 2003, and Manager of Business Analysis since 2001, of Resolution Performance Products, a manufacturer of specialty chemicals. From 1996 to 2001, Mr. Korb held positions at Service Corporation International, a provider of funeral, cremation and cemetery services, including Director International Finance & Accounting, Manager International Finance & Accounting, Manager Corporate Development, Manager Strategic Planning, and Financial Analyst.

Mr. Delaney was named Senior Vice President General Counsel and Secretary of Quanex Corporation on February 24, 2005, and was elected to the same position with the Company upon its creation on December 12, 2007. Prior to that, he was Vice President General Counsel of Quanex Corporation since 2003, and Secretary since 2004. Prior to that he was Chief Counsel for Trane Residential Systems, a business of American Standard Companies, a global manufacturer with market leading positions in automotive, bath and kitchen, and air conditioning systems, since 2002; Assistant General Counsel for American Standard Companies since 2001; and Group Counsel for The Trane Company's North American Unitary Products Group since 1997. Prior to that time, Mr. Delaney was Vice President - General Counsel with GS Roofing Products Company, Inc. from 1995 to 1997 and Senior Attorney with GTE Directories Corporation from 1991 to 1995.

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Mr. Ketelaar was named Vice President Investor Relations of the Company on September 12, 2012, and was promoted to Vice President Treasurer and Investor Relations on June 14, 2013. Prior to joining the Company in 2012, Mr. Ketelaar served from 2007 to 2012 as Vice President Investor Relations and Assistant Treasurer at The ServiceMaster Company, a global company providing residential and commercial customers with multiple services, including termite and pest control, lawn care, home warranties and preventive maintenance contracts, cleaning and disaster restoration, house cleaning, wood furniture repair, and home inspection. Mr. Ketelaar also served from 1995 to 2007 as an Investor Relations Vice President at AmerUs Group/Aviva USA.

Mr. Williams was named Vice President Controller of the Company effective July 1, 2013. Prior to joining the Company, Mr. Williams served as the Chief Accounting Officer, Vice President - Corporate Controller and Assistant

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Treasurer of Complete Production Services, Inc., a publicly held oilfield service provider, from 2005 until it was acquired by Superior Energy Services in 2012. Mr. Williams then engaged in consulting work which included assistance with the transaction for Superior Energy, until he joined the Company in 2013.

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DIRECTOR AND OFFICER COMPENSATION

Director Compensation

Directors who are also employees of the Company do not receive any additional compensation for serving on the Board. Mr. Griffiths was the only director who was also an employee of the Company, and as such he did not receive any additional compensation for such service after the date on which he became an employee.

For the fiscal year ended October 31, 2013, the Company's non-employee directors received the following compensation:

- **Annual Cash Retainer**(1) \$50,000/year paid quarterly
- **Committee Member Retainer**(1)
- Member of Audit Committee: \$7,500/year paid quarterly
- Member of Compensation and Management Development Committee: \$5,000/year paid quarterly
- Member of Nominating and Corporate Governance Committee: \$5,000/year paid quarterly
- **Committee Chairman Fees**(1)
- Chairman of Audit Committee: \$15,000/year paid quarterly
- Chairman of Compensation and Management Development Committee: \$10,000/year paid quarterly
- Chairman of Nominating and Corporate Governance Committee: \$10,000/year paid quarterly(2)
- **Lead Director Fee**(1) \$20,000/year paid quarterly
- **Annual Stock Retainer**(3) Equivalent value of \$25,000 in restricted stock units and equivalent value of \$50,000 in options to purchase shares of Common Stock. Both the restricted stock units and the stock options vest immediately upon issuance on the last business day of the fiscal year; however, the restricted stock units are restricted until the director ceases to serve in such role.
- **Initial Stock Option Grant** Following the first full year of service as a director, each non-employee director receives an initial stock option grant to purchase 5,000 shares of Common Stock. These options vest immediately.
- **Expense Reimbursement** Directors are reimbursed for their expenses relating to attendance at meetings.

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(1) Non-employee directors are permitted to defer all or any part of their cash retainers and fees under the Quanex Building Products Corporation Deferred Compensation Plan (the "DC Plan"). These deferrals are placed into notional accounts maintained under the DC Plan and are deemed invested in cash, units denominated in Common Stock, or any of the accounts available under the Company's qualified 401(k) plan, as the director elects. If a director elects to make a deferral to his or her notional common stock unit account for a period of three full years or more, a matching award equal to 20% of the amount deferred is made by the Company to the director's notional account. The Board elected to suspend the match effective April 1, 2009, due to the turbulent economic conditions at that time. The number of units that is deemed invested in Company common stock units and credited to a director's notional account is equal to the number of shares of Common Stock that could have been purchased with the dollar amount deferred or matched based on the closing price of the Common Stock on the New York Stock Exchange on the date the amount would have been paid had it not been deferred. If a dividend or other distribution is declared and paid on Common Stock, for each notional common stock unit credited to a director's account a corresponding credit will be accrued in the director's notional matching account. Except with respect to matching deferrals (and dividend deferrals, if any), all director deferrals are 100% vested. Matching deferrals (and dividend deferrals, if any) are 100% vested, unless a director receives a distribution from the DC Plan for any reason other than death, disability or retirement, within three years after a deferral was credited to his or her notional common stock unit account. If a director receives such a distribution from the DC Plan, any matching amount corresponding to the deferral that has been credited for less than three years, plus any dividends or other distributions that correspond to such matching amount, will be forfeited. No payments may be made under the DC Plan until a distribution is permitted in accordance with the terms of the DC Plan. In the event of a change in control of the Company, any amount credited to a director's account is fully vested and is payable in cash within five days after the change in control occurs. A change in control is defined generally as (i) an acquisition of securities resulting in an individual or entity or group thereof becoming, directly or indirectly, the beneficial owner of 20% or more of either (a) the Company's then-outstanding Common Stock or (b) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors, (ii) a change in a majority of the persons who were members of the Board of Directors as of December 12, 2007 (the "Incumbent Board"), (iii) generally, a reorganization, merger or consolidation or sale of the Company or disposition of all or substantially all of the assets of the Company, or (iv) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company. For this purpose, an individual will be treated as a member of the Incumbent Board if he becomes a director subsequent to December 12, 2007, and his election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board; unless his initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, entity or group other than the Board. All distributions under the DC Plan will be made in cash. Any deferral or payment permitted under the DC Plan is administered in a manner that is intended to comply with Section 409A of the Internal Revenue Code of 1986.

(2) Mr. Rupp serves as Chairman of the Nominating & Corporate Governance Committee, but has chosen to decline the Committee Chairman Fee related to that position.

(3) Restricted stock unit grants and stock option grants are issued from the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended.

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The table below shows the total compensation of our non-employee directors in fiscal 2013.

Name	Fees Earned or Paid in Cash (1) (\$)	Stock Unit Awards (2) (\$)	Option Awards (2) (\$)	Change in Pension Value & Nonqualified Deferred	All Other Compensation (4) (\$)	Total (\$)
				Compensation Earnings (3) (\$)		
Robert R. Buck	57,500	24,448	88,071		204	170,223
Susan F. Davis	65,000	24,448	48,916		1,389	139,753
LeRoy D. Nosbaum	62,500	24,448	48,916		701	136,565
Joseph D. Rupp	75,000	24,448	48,916		1,389	149,753
Curtis M. Stevens	65,000	24,448	48,916		701	139,065

(1) Amounts shown reflect fees earned by the directors from Quanex Building Products Corporation during fiscal year 2013. During fiscal 2013, Messrs. Buck and Stevens and Ms. Davis elected to defer cash compensation of \$57,500, \$32,500 and \$65,000, respectively, under the DC Plan in the form of notional units.

(2) These columns show respectively, the aggregate grant date fair value for restricted stock units and stock options awarded in fiscal 2013 computed in accordance with FASB ASC Topic 718. Director grants vest immediately and as such are expensed on the date of grant. A discussion of the assumptions used in computing the grant date fair values may be found in Note 14, Stock-Based Compensation, included in the Quanex Building Products Corporation's audited financial statements on Form 10-K for the year ended October 31, 2013. These values reflect the Company's assumptions used to determine the accounting expense associated with these awards and do not necessarily correspond to the actual value that may be recognized by the directors.

The following table shows the grant date fair value of restricted stock units and option grants made during fiscal year 2013 as well as the aggregate number of restricted stock units and stock option awards outstanding for each non-employee director as of October 31, 2013:

Name	Grant Date	Restricted Stock Units		Grant Date	Stock Options	
		2013 Grants Grant Date Fair Value (\$)	Total Units Outstanding as of October 31, 2013 (#)		2013 Grants Grant Date Fair Value (\$)	Total Stock Options Outstanding as of October 31, 2013 (#)
Buck				11/15/2012	39,155	5,000*
Buck	10/31/2013	24,448	2,647	10/31/2013	48,916	10,996*
Davis	10/31/2013	24,448	10,058	10/31/2013	48,916	51,428
Nosbaum	10/31/2013	24,448	5,758	10/31/2013	48,916	30,518
Rupp	10/31/2013	24,448	10,058	10/31/2013	48,916	51,428
Stevens	10/31/2013	24,448	5,758	10/31/2013	48,916	30,518

* Mr. Buck currently holds a total of 15,996 total stock options outstanding.

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(3) The Company does not provide a pension plan for non-employee directors. None of the directors received preferential or above-market earnings on deferred compensation.

(4) Amounts shown represent dividends on outstanding restricted stock units.

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Compensation Discussion and Analysis

Introduction

This section of the proxy describes the compensation paid to the executive officers listed in the Summary Compensation Table on page 48:

- William C. Griffiths Chairman, President and Chief Executive Officer (CEO)
- Brent L. Korb Senior Vice President Finance and Chief Financial Officer (CFO)
- Kevin P. Delaney Senior Vice President General Counsel and Secretary
- Martin P. Ketelaar Vice President Treasurer & Investor Relations
- M. Dewayne Williams Vice President Controller
- David D. Petratis former Chairman, President and CEO
- Jairaj T. Chetnani former Vice President Treasurer
- Deborah M. Gadin former Vice President Controller

The compensation programs described, however, apply more broadly to other officers and management personnel at the Company, with changes as appropriate to reflect different levels and types of responsibility. The Company believes that this approach helps to align Quanex employees into a unified team committed to the Company's corporate objectives.

Executive Summary

Pay for Performance

The Compensation Committee designs the Company's compensation programs to reward for Company performance. The following chart compares the relationship between the CEO's target and realized pay to the Company's total shareholder return over the past five years. Target pay includes base salary, target bonus and the grant date value of options, restricted stock, and cash-based performance units for the period. Realized pay includes base salary, bonus payout, in-the money value of stock options, the October 31, 2013 stock price of restricted stock granted during the period, and the value of cash-based performance units paid out during the period.

Note: For FY 2013, the target pay of the recently hired CEO was compared to the realized pay of the former CEO.

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The following table shows the payout (as a percentage of target) for the Company's annual incentive award program (AIA) and cash-settled performance unit plan. Over the past five years, the average AIA payout has been approximately 74% of target whereas the average performance unit payout has been approximately 35% of target.

Compensation Best Practices

We use traditional compensation elements of base salary, annual incentives, long-term incentives, and employee benefits to deliver attractive and competitive compensation. We benchmark both compensation and Company performance in evaluating the appropriateness of pay. All of our executive pay programs are administered by an independent compensation committee, with assistance from an independent consultant. We target the market median for fixed compensation, while providing the executive with an opportunity to earn upper quartile incentive pay based on company performance. Some highlights to our executive compensation program include the following actions:

- We eliminated gross-ups on golden parachute excise taxes for new executives going forward.
- We maintain a clawback policy on incentive compensation covering both cash and performance shares.
- We implemented a policy that prohibits the hedging or pledging of Company securities.
- We maintain stock ownership guidelines for both executives and directors.
- We evaluate the risk of our compensation programs.
- We prepare tally sheets summarizing our executives' total compensation and review with the independent compensation committee.
- We retain an independent compensation consultant to the Board and the Compensation and Governance Committees to advise on compensation issues.

Compensation Program Overview

Our Compensation program is designed with the intent of linking our executives to the shareholder experience. With this in mind, the Committee:

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- Exercised downward discretion and elected to pay no bonuses for FY 2013.
- Designed a long-term incentive plan that rewards executives for compounded EPS growth and relative TSR compared to peers. This resulted in the performance unit grant from FY 2011 paying out at 0%.
- Decreased the target total direct compensation for the CEO by 5% and the CFO by almost 6%.
- Changed the FY 2014 long term incentive mix to reduce the weighting of stock options from 50% to 25% of the total long term incentive (LTI) mix and increase the weighting of performance based LTI from 25% to 50% of the total LTI mix.

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Compensation Objectives

We design our executive compensation program to further our corporate goal of being a consistently high-performing growth company. Our compensation plan and pay strategy focus on and are intended to influence the profit margins of our businesses, cash flow generation, returns to stockholders and efficient management of our operations.

Our specific objectives and related plan features include:

Objective	How We Meet our Objectives
Attract and retain effective leadership	<ul style="list-style-type: none"> • We provide a competitive total pay package, taking into account the base salary, incentives, benefits and perquisites for each executive. • We regularly benchmark our pay programs against the competitive market, comparing both fixed and variable, at-risk compensation that is tied to short- and long-term performance; we use the results of this analysis as context in making pay adjustments. • Our plans include three-year performance cycles on long-term incentive awards, three-year vesting schedules on equity incentives, and career-weighted vesting on our supplemental retirement plan to motivate long-term retention. • Compete effectively for the highest caliber people who will determine our long-term success. • We offer a compensation program that focuses on variable, performance-based compensation (through Annual and Long-Term Incentive Awards). • Specific financial performance measures used in the incentive programs include:
Motivate and reward executives for achieving specific financial goals	<ul style="list-style-type: none"> • Annual Incentive Awards (AIA) use Earnings Before Interest, Taxes, Depreciation and Amortization and operational and strategic goals and will only be considered if the performance hurdle of positive operating income by the Company (excluding any amounts attributable to corporate) is achieved. • Performance Share awards use compounded Earnings Per Share (EPS) Growth goals to motivate long-term focus on bottom-line performance and Relative Total Shareholder Return to reward executives for performance compared to the market.
Create a strong financial incentive to meet or exceed long-term financial goals and build long-term value	<ul style="list-style-type: none"> • We link a significant part of total compensation to Quanex's financial and stock price performance – over 70% of compensation mix is performance-based. • We deliver 75% of long-term incentives in the form of equity compensation. • For SVPs and above, long-term compensation opportunities are weighted to deliver more than two times the target short-term incentive opportunity, resulting in a significant portion of our total compensation delivered in the form of long-term incentive.
Align executive and shareholder interests	<ul style="list-style-type: none"> • Emphasizing long-term shareowner returns, we encourage significant Quanex stock ownership among executives.

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- The ultimate value of our annual equity grants is driven by stock price performance over the grant date value.
- We maintain stock ownership goals for executives and encourage officers to retain shares acquired upon option exercises until their respective goals are met.

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Competitive Positioning

Fiscal 2013

Annually the Compensation Committee examines the level of competitiveness and overall effectiveness of our executive compensation program. Quanex uses comparative compensation data from a group of 31 direct and related industry companies, referred to in this CD&A as the Reference Group, as a point of reference in designing its compensation levels and in setting compensation levels. The Reference Group consists of companies selected on criteria including size, complexity, revenue, market capitalization, risk profile, asset intensity, margins, and industrial application of the primary business. The use of a larger Reference Group is intended to provide more statistically valid comparisons with less volatility from year to year. For fiscal 2013, the Reference Group consisted of the following 31 companies:

Actuant Corp.	Encore Wire Corp	Nordson Corp.
Albany International Corp.	EnPro Industries Inc.	Olympic Steel Inc.
American Woodmark Corp.*	Gibraltar Industries Inc.*	Simpson Manufacturing Inc.*
Apogee Enterprises Inc. *	Graco Inc.	Superior Industries International
Astec Industries Inc.	Greenbrier Companies Inc.	Texas Industries Inc.
Builders Firstsource Inc.*	Griffon Corporation*	Titan International Inc.
Castle (A M) & Co.	H&E Equipment Services Inc.	Trex Company, Inc.*
CLARCOR Inc.	Headwaters Inc.	Universal Forest Products Inc.*
Compass Minerals International Inc.	Louisiana-Pacific Corp.*	Valmont Industries Inc.
Drew Industries Inc.*	Martin Marietta Materials Inc.	Watts Water Technologies Inc.
Eagle Materials Inc.*		

* The eleven companies in the Reference Group identified by the asterisk are those we consider more traditional peers (i.e., Peer Group). These companies are used by the Compensation Committee to evaluate relative Company performance, as they tend to best reflect the operational and financial performance of our industry.

Frederic W. Cook & Co., Inc. (Cook), an independent compensation consultant to the Compensation Committee, uses the Reference Group pay information, along with manufacturing and general industry survey data, to develop the appropriate range of compensation for each executive position. Cook also prepares an independent analysis of our key performance indicators such as profitability, growth, capital efficiency, balance sheet strength, and total return to stockholders compared to those companies in our Peer Group. These results are then reported to the Compensation Committee so it has a thorough picture of the competitiveness of pay in the context of our performance compared with that of our peers. While the Compensation Committee uses this analysis to help frame its decisions on compensation, it uses its collective judgment in determining executive pay. The Compensation Committee exercises discretion in making compensation decisions based on the following inputs: its understanding of market conditions, its understanding of competitive pay analysis, recommendations from the CEO regarding his direct reports, the Committee's overall evaluation of the executive's performance, and our overall compensation strategy.

Fiscal 2014

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Cook reviewed the appropriateness of the Company's current peer group and after its review identified the following companies for inclusion in the Peer Group and Reference Group for fiscal 2014:

NCI Building Systems Inc.

Nortek Inc

Ply Gem Holdings Inc.

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Program Description

Our executive compensation program is a traditional design structure that has been customized to suit the business and organizational objectives of the Company. It includes base salary, annual cash incentive compensation, long-term incentives and executive benefits. Our fiscal 2013 long-term incentive program consisted of stock option grants, restricted stock grants and performance unit awards. The amount of pay that is performance-based for an executive is directly related to the level of responsibility held by the position; accordingly, our highest ranked executive has the most performance-based pay as a percentage of total compensation. We attempt to set realistic but challenging goals in our annual incentive and performance unit plans. In both cases, if we fail to meet the pre-determined standards, no plan-based compensation is earned by executives.

We evaluate the various components of compensation annually relative to the competitive market for prevalence and value. By setting each of the elements against the competitive market within the parameters of our compensation strategy, the relative weighting of each element of our total pay mix varies by individual. We do not set fixed percentages for each element of compensation. The mix may also change over time as the competitive market moves or other market conditions which affect us change. We do not have and do not anticipate establishing any policies for allocating between long-term and currently paid compensation, or between cash and non-cash compensation. We have a process of assessing the appropriate allocation between these elements of compensation on a periodic basis and adjusting our position based on market conditions and our business strategy.

Base Salary

Purpose: This pay element is intended to compensate executives for their qualifications and the value of their job in the competitive market.

Competitive Positioning: The Company's goal is to target the market median as our strategic target for base salary. We review each executive's salary and performance every year to determine whether his/her base salary should be adjusted. Along with individual performance, we also consider movement of salary in the market, as well as our financial results from the prior year to determine appropriate salary adjustments.

While the Compensation Committee applies general compensation concepts when determining competitiveness of our executives' salaries, the Compensation Committee considers base salaries as being generally competitive when they are within approximately 10% of the stated market target (in this case, the market 50th percentile). In the most recent analysis using our reference group plus general industry data, the salaries for our named executive officers ranged from 78% to 104% of the market 50th percentile.

Changes for Fiscal 2013: Based on the Company's performance, the Committee's evaluation of the performance of each named executive officer, and position relative to market, in December 2012, the Compensation Committee approved the salary levels set forth below for the named executive officers.

Name and Principal Position	Fiscal 2013 Base Salary	Base Salary Increase
	\$ 780,000	4%

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David D. Petratis				
Former Chairman, President and CEO				
Brent L. Korb				
Senior Vice President	Finance and CFO	\$	384,800	4%
Kevin P. Delaney				
Senior Vice President	General Counsel and Secretary	\$	312,000	4%
Jairaj T. Chetnani				
Former Vice President	Treasurer	\$	209,100	0%
Deborah M. Gadin				
Former Vice President	Controller	\$	191,174	0%

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Changes for Fiscal 2014: In December 2013, the Compensation Committee approved salary changes in the following amounts:

Name and Principal Position	Fiscal 2014 Base Salary	Base Salary Increase
William C. Griffiths Chairman, President and CEO	\$ 780,000	0%
Brent L. Korb Senior Vice President Finance and CFO	\$ 400,000	4%
Kevin P. Delaney Senior Vice President General Counsel and Secretary	\$ 360,000	15%
Martin P. Ketelaar Vice President Treasurer	\$ 225,000	12.5%
M. Dewayne Williams Vice President Controller	\$ 225,000	18.4%

These changes were made in order to bring the executive team closer to the market median for base salaries and rebalance the compensation mix to be more consistent with market practice.

Annual Incentive Awards (AIA)

Purpose: This element of compensation is intended to reward executives for the achievement of annual goals related to key business drivers. It is also intended to communicate to executives the key business goals of the Company from year to year.

Competitive Positioning: The Company's strategy is to target the market median for annual incentives for performance that meets expected levels. We have established the range of possible payouts under the plan so that our competitive position could be above or below our stated strategy based on performance outcomes. Our most recent analysis showed our executives to be in a range of 78% to 104% of the market median on target total cash compensation.

Plan Mechanics: The Company's 2008 Omnibus Incentive Plan (the Omnibus Plan) serves as the governing plan document for our AIA. The AIA is a goal attainment incentive plan design that pays target award levels for expected performance results.

Fiscal 2013: The AIA emphasizes earnings and informed decision making with regard to the Company's operational and strategic goals. To integrate the goals of the AIA throughout the Company, the incentive plan participation includes the top leaders of all of our business divisions. We believe this is necessary to align all managers throughout the organization with this incentive structure. The plan design requires the Company (excluding any amounts attributable to corporate) to have positive operating income, in order for any Annual Incentive Awards to be paid out. If the performance hurdle is met, then the bonus pool for all 2013 Annual Incentive Awards is funded at the maximum bonus opportunity level.

If funded, the Compensation Committee assesses performance against a set of balanced goals, including (a) modified free cash flow (60%), and (b) operating initiatives (IG Systems Consolidation and ERP Implementation) and strategic objectives (40%), and applies negative discretion to

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the maximum funding levels to determine the actual incentive payment. Modified free cash flow is defined as operating income plus depreciation, amortization and impairment charges, plus/minus changes in conversion capital less capital expenditures. The Company set the performance expectations based on the forecasted results of the operating divisions and the projected markets for building products.

Target Award Levels: Based on competitive market practices for annual incentives, and our compensation strategy, we set a target award opportunity for each of our executives. This is the amount of incentive compensation the executive can earn when performance meets expected results, or target. The table below reflects the payout percentage of a named executive's base salary at the threshold, target and maximum levels of performance.

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**Potential AIA Payout
Expressed as a % of Salary**

Participant	Threshold	Target	Maximum
CEO	25.00%	100.00%	200.00%
SVPs	18.75%	75.00%	150.00%
VPs	10.00%	40.00%	80.00%

Fiscal 2013 Results: For fiscal 2013, the performance hurdle of positive operating income (excluding corporate) was met. The results of the financial and operational goals are as follows:

Metric	Goal Adjusted for Market	Results	Target Payout Weighting	Percent of Target Payout Earned	Actual Payout
Modified free cash flow*	Engineered Products Group: \$55.5M	Engineered Products Group: \$60.9M	30%	133.6%	0%
	Nichols Aluminum: (\$1.3M)	Nichols Aluminum: (\$4.5M)	30%	36.3%	0%
Operating Initiatives & Strategic Initiatives	Window & Door Systems action plan to address volume shifts	Target not met.	15%	0%	0%
	Nichols Turnaround	Milestone met.	15%	25%	0%
	Project Quest	Milestone not met.	10%	0%	0%
Total:			100%	51.5%	0%

* The Compensation Committee adjusts modified free cash flow to normalize for movement in the prime window demand for EPG and shipments in the aluminum industry for flat rolled aluminum sheet. At the beginning of the year, the goal is set based on the forecasted market targets. The adjustments are made to reflect the difference between the forecasted and actual market results. That difference is applied to the Company's results.

Executive	Target Payout	Percentage of Target Payout Earned	Payout Value Earned	Actual Payout *
Griffiths	\$ 260,000	51.5%	\$ 133,900	\$ 0
Korb	\$ 287,675	51.5%	\$ 148,057	\$ 0
Delaney	\$ 233,250	51.5%	\$ 120,046	\$ 0
Ketelaar	\$ 30,000	51.5%	\$ 15,400	\$ 0
Williams	\$ 25,333	51.5%	\$ 13,047	\$ 0
Petratis	\$ 517,500	51.5%	\$ 266,513	\$ 0
Chetnani	\$ 52,275	51.5%	\$ 26,922	\$ 0
Gadin	\$ 50,979	51.5%	\$ 26,255	\$ 0

* Based upon the Company's earnings per share loss for fiscal 2013, the Committee elected to pay no bonuses to any named executive officer for fiscal 2013 performance.

Fiscal 2014 Decisions: For fiscal 2014, the Compensation Committee decided to make changes to the overall structure of the AIA and the AIA target award levels for some of the executives.

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The fiscal 2014 plan will be weighted 100% EBITDA (earnings before interest, taxes, depreciation and amortization and impairment charges). We believe that the use of a single financial measure will help focus the management team on operational excellence and profitability. The plan will continue to use positive operating income as the initial performance hurdle.

The following AIA targets were established for the executives for fiscal 2014:

Participant	AIA Target (as a % of salary)	% Change (as compared to fiscal 2013)
CEO	100%	0%
CFO	65%	- 13%
GC	60%	- 20%
VPs	40%	0%

The changes to AIA targets were made in order to bring the executive team closer to the market median for total cash compensation and rebalance the compensation mix to be more consistent with market practice.

Long-Term Incentive Compensation

Purpose: We have a long-term incentive program designed to help align the interests of executive management with shareholders and reward executives for the achievement of long-term goals. Long-term incentives are also critical to the retention of key employees and provide executives an opportunity for personal capital accumulation. For these reasons we have placed more value on the long-term incentive element of compensation than on other elements. The result is that this element of compensation represents at least half of the named executive officers total direct compensation.

Competitive Positioning: For long-term incentives, we target the opportunity to earn the market 75th percentile based on Company performance. When reviewing the position versus the market, we found that the named executive officers competitive positioning ranges from 65% to 111% of the market 75th percentile. We believe the wide range of competitiveness in our executive group is partly due to widely varying practices among reference group companies and because we have several executives that are new to their roles. The individual performance of each named executive officer is not considered in the value of the long-term incentive awards granted to such officer. Since the goals are set prospectively, the Company's financial performance determines the ultimate value of the award.

Participation: Participation in the program includes the corporate executives and certain key contributors to the business and is determined based on competitive practices as well as our assessment of which positions contribute to long-term value creation.

Target Award Levels: We established the CEO's total long-term incentive value based on our compensation goal of providing the opportunity to earn 75th percentile long-term incentive compensation value when performance warrants. It represents 60% of the CEO's total direct compensation. When establishing appropriate targets for other named executive officers, we also targeted approximately the 75th percentile of the competitive market. The long-term incentive award values for the other named executive officers represent relatively less as a percentage of

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total direct compensation, reflecting the officers' responsibilities and ability to influence shareholder returns. From year to year, the CEO may recommend adjustments to the value of long-term incentives awarded to the other executive officers, based on his assessment of their individual contribution.

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The following table sets forth the target award levels for the FY 2013 long-term incentives of each of our named executive officers:

**Long-Term Incentive Target Award Levels
Expressed as a % of Salary**

Title	Target
CEO	300%
SVPs	200%
VPs	70%

Fiscal Year 2013 Long Term Incentive Program Design

Vehicles and Goals: The Company's FY 2013 program consisted of a combination of stock options, performance units and restricted stock. The allocation between the long-term incentive vehicles is determined by the Compensation Committee based on the market information provided by its compensation consultant and input from senior management as to the key business drivers that allow us to maintain a results-oriented culture. The Omnibus Plan does not provide for any specific subjective individual performance component in determining the ultimate value of the award. The following chart illustrates the FY 2013 allocation of LTI by vehicle type, description of each vehicle type and related performance goals.

Stock Options

Options to purchase company stock comprised approximately 50% of our long-term incentive target value for FY 2013 and provide executives the opportunity to share in the increase in stock value over time. They provide an element of compensation that varies along with changes in

stock price over time. These awards also offer our executives the opportunity to accumulate value (if the Company's stock appreciates) since the growth in value occurs over a long period of time (up to 10 years), and gains from that growth are not taxed until such time as the options are exercised. Since we generally use ratable vesting over three years for each award, stock options serve a meaningful role in the retention of our key employees.

Our stock options are granted at the fair market value closing price on the date of grant, have a term of ten years, and generally vest ratably over a three-year period.

Performance Units

Performance units are payable in cash and are intended to motivate executives to achieve preset goals that are in line with critical business drivers. These awards also provide incentive for executives to outperform peer companies as measured by relative shareholder return.

Performance unit awards are granted in December and comprised approximately 25% of our executives' total long-term incentive grant value for FY 2013. Performance measures are chosen to provide incentive for executives to focus on

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those things which we believe are closely linked to the creation of stockholder value over time. We set target award values each year. These target values are used to calculate the number of units granted to each executive. The final value of each unit is not determined until the end of a three-year performance cycle. That final unit value is dependent on our performance against preset goals. If the threshold level of performance is not met, no cash payout will occur. However, if maximum performance goals are met or exceeded, then the value of each unit could reach a maximum of 200% of the target value.

Measures used for the performance units include Earnings Per Share Growth (or EPS Growth) and Relative Total Stockholder Return (or Relative TSR). Each goal is weighted 50% of the total performance unit award. The goals for each metric are as follows:

Milestones	Relative Total Shareholder Return Percentile	3-Yr. Cumulative Compounded Annual		Performance Unit Value		
		EPS Growth %	R-TSR (50% Weighting)	EPS (50% Weighting)	Total	
Maximum	75%	12%	\$ 100.00	\$ 100.00	\$ 200.00	
Target	60%	9%	\$ 50.00	\$ 50.00	\$ 100.00	
Threshold	40%	6%	\$ 37.50	\$ 37.50	\$ 75.00	

We use the above approach to accomplish three things: (1) provide line of sight to performance measures that influence stock price performance, (2) mitigate the short-term effects of stock price volatility and (3) measure our performance relative to our reference group, which provides meaningful context to judge our performance in the market.

For fiscal 2013, the three-year cumulative compounded EPS growth will be applied to the starting value of the 2008-2011 average of \$0.27 per share, which is the period ending EPS adjusted for Nichols impairments & labor union strike.

Fiscal 2011 Performance Units

The performance units awarded to our executives in December 2010 (the 2011 Performance Units) became payable to executives in December 2013, with a final value determined by the Company's performance period for fiscal 2011 through fiscal 2013. The 2011 Performance Unit grants' measures and goals include EPS Growth and Relative TSR, each weighted 50% of the total performance unit award. EPS Growth is measured as the cumulative value of EPS over the three-year performance period, and Relative TSR is expressed as the stock price appreciation plus dividends reinvested relative to appreciation of our peer group. Relative TSR is determined by calculating the change in the value of our stock plus the value of dividends and comparing that value with that of our peer group. Our performance against these pre-established goals determined the payout to executives within a range from threshold to maximum. The pre-established goals and the actual performance to these goals are set forth below.

Milestones	Relative TSR Percentile	3 yr. EPS Growth(1)		Performance Unit Value		
		cum.	Percent	R-TSR	EPS	Total
Performance Measures:						
Maximum	75%	\$ 1.61	100%	\$ 100.00	\$ 100.00	\$ 200.00

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Target	60%	\$	1.17	75%	\$	50.00	\$	50.00	\$	100.00
Threshold	40%	\$	0.82	50%	\$	37.50	\$	37.50	\$	75.00
Actual Performance	.5%	\$	(0.53)	-190%	\$	0.00	\$	0.00	\$	0.00

(1) Three Year EPS Growth was determined by using a base year of \$0.64, which represents the fiscal 2010 reported EPS.

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For the 2011 Performance Units, the actual value was \$0.00 per unit associated with Relative TSR and \$0.00 per unit associated with EPS Growth for a total value per performance unit of \$0.00. There was no payout earned.

Officer	2011 Performance Units Granted	Target Value per Performance Unit	Targeted Award Value	Actual Value per Performance Unit	Total Payout Value
Petratis	5,300	\$ 100	\$ 530,000	\$ 0	\$ 0
Korb	1,700	\$ 100	\$ 170,000	\$ 0	\$ 0
Delaney	1,400	\$ 100	\$ 140,000	\$ 0	\$ 0
Gadin	300	\$ 100	\$ 30,000	\$ 0	\$ 0
Chetnani	400	\$ 100	\$ 40,000	\$ 0	\$ 0

Restricted Stock

Restricted stock represents 25% of the participant's long-term incentive value. We chose 25% of the total value because it provides meaningful retentive value to our key executives, helps smooth out market volatility, and is cost efficient. The restricted stock awards vest three years after the award is granted, so long as the participant remains employed by us. We believe restricted stock awards are an effective long-term compensation vehicle through which key employees can be retained, especially through volatile periods in the market.

Fiscal 2013 Long-Term Incentive Grants

The number of long-term incentive awards granted during fiscal 2013 was determined by: (1) taking 50% of the participant's target award value and dividing it by the calculated Black-Scholes value of a Quanex stock option to determine the number of options, (2) taking 25% of the participant's target award value and dividing it by the 10-day average closing stock price between November 1, 2012, and November 14, 2012, to determine the number of restricted stock awards and (3) taking 25% of the participant's target award value and dividing it by \$100 (target unit value), to determine the number of performance units. Both equity grant calculations apply an average stock price based on the first 10 trading days in November 2012. For more information related to long-term incentive awards granted during fiscal 2013, please see the table entitled Grants of Plan Based Awards located on page 52.

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Fiscal 2014 Long-Term Incentive Grants

At the Compensation Committee's December 2013 meeting, the Compensation Committee elected to make changes to the Company's LTI plan design for fiscal 2014. The changes include:

- Replacing cash-settled performance units with performance shares that are settled 50% in cash and 50% in stock.
- Increasing the weighting of performance-based LTI from 25% of the total LTI mix to 50% of the total LTI mix.
- Decreasing the weighting of stock options from 50% of the total LTI mix to 25% of the total LTI mix.
- Decreasing the LTI targets for three of the five named executives.

The following chart illustrates the FY 2014 allocation of LTI by vehicle type, description of each vehicle type and related performance goals.

We feel these changes are appropriate and will help better align our compensation program with Company performance.

Fiscal 2014 Performance Shares

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Performance shares are payable 50% in cash and 50% in shares and are intended to motivate executives to achieve preset goals that are in line with critical business drivers. These awards also provide incentive for executives to outperform peer companies as measured by relative shareholder return.

The fiscal 2014 performance share measures include EPS Growth and Relative TSR, each weighted 50%. EPS Growth is measured as the cumulative value of EPS over the three-year performance period, and Relative TSR is expressed as the stock price appreciation plus dividends reinvested relative to appreciation of our peer group. These are the same performance measures used under the Company's FY 2013 performance unit plan.

Milestones	Relative Total Shareholder Return Percentile	3-Yr. Cumulative	R-TSR (50% Weighting)	Performance Share Modifier	Total
		Compounded Annual EPS Growth %		EPS (50% Weighting)	
Maximum	75%	12%	100%	100%	200%
Target	60%	9%	50%	50%	100%
Threshold	30%	6%	37.5%	37.5%	75%

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For fiscal 2014, the three-year cumulative compounded EPS growth will be applied to the starting value of of \$0.20 per share, which is the period ending EPS adjusted for costs and expenses related to the ERP implementation project which was terminated during fiscal 2013.

The reader is cautioned that the foregoing goals are not intended to and do not reflect guidance by or expectations of the Company as to actual results. These goals are part of an overall compensation program designed, among other things, to align executive compensation with the market's reasonable expectations of performance and shareholder returns.

LTI Targets

The following LTI targets were established for the executives in FY 2014.

Participant	LTI Target (as a % of salary)	% Change (as compared to fiscal 2013)
CEO	275%	-8%
CFO	175%	-12.5%
GC	165%	-17.5%
VPs	70%	0%

Processes and Procedures for Determining Executive Compensation

Guided by the principal objectives described above, the Compensation Committee approves the structure of the executive compensation program and administers the programs for our executive officers, including matters where approval by our independent Compensation Committee members is appropriate for tax or regulatory reasons. The following describes the roles of key participants in the process.

The Role of Executives

Our Chief Executive Officer is the only executive who works with the Compensation Committee and compensation consultant in establishing compensation levels and performance targets. Our Chief Executive Officer is responsible for reviewing the compensation and performance of the other executive officers. Therefore, he makes recommendations to the Compensation Committee regarding adjustments in compensation to such executive officers. The Compensation Committee considers the Chief Executive Officer's recommendations along with the committee's own evaluation of individual and business performance and the market data provided by its compensation consultant. In making his recommendations, the Chief Executive Officer relies upon his evaluation of his direct reports' performance and competitive compensation information. The Chief Executive Officer does not recommend his own compensation. The Chief Executive Officer recommends AIA performance goals to the Compensation Committee. The Chief Executive Officer, with input from the compensation consultant, recommends performance goals for long-term incentive awards that are properly aligned with the business goals and compensation strategy.

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Our Senior Vice-President General Counsel and Secretary serves as the liaison between the compensation consultant, the Compensation Committee, and the Governance Committee. In this role, he interfaces with the compensation consultant to carry out the duties of the Compensation Committee and Governance Committee.

The Role of Independent External Advisors

To facilitate the formulation and administration of our compensation program, beginning in April 2008 until June 30, 2012, the Compensation Committee retained Cogent Compensation Partners as its independent consultant on executive compensation matters. On July 1, 2012, Cogent Compensation Partners merged with Frederic W. Cook & Co., Inc. Upon the merger, the Compensation Committee confirmed its appointment of Cook as its independent consultant. Cook has been retained by the Compensation Committee to help assess the competitiveness and appropriateness of compensation programs throughout the market, including our peers, and to help develop a compensation program that is consistent with our objectives and market conditions. Cook meets with our Compensation Committee in executive sessions and advises the Compensation Committee with respect to a wide range of issues related to executive compensation. The Compensation Committee authorizes the scope of services that it desires Cook

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to provide for the company, including reviewing and analyzing market data, evaluating our peer group composition, making recommendations for incentive system designs, providing market and regulatory updates, assisting with deliberations related to CEO compensation, reviewing any relevant information and reporting to the Compensation Committee on all aspects of our compensation programs. Cook reports directly to, and takes its charge from, the Compensation Committee. However, the Compensation Committee does not specifically direct Cook on how to perform the scope of services it provides to the Company, and the Compensation Committee makes all final decisions regarding compensation.

Independence of Advisors

The Compensation Committee reviewed the independence of Cook based on the NYSE rules for independence which include the following factors: (i) the provision of other services to the Company by Cook; (ii) the amount of fees from the Company paid to Cook as a percentage of Cook's total revenue; (iii) the policies and procedures of Cook that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the individual compensation advisors who serve the Committee with any member of the Committee; (v) any stock of the Company owned by such individual compensation advisors, and (vi) any business or personal relationship of Cook or the individual compensation advisors employed by either who serve the Committee with an executive officer of the Company. The Compensation Committee also reviewed Cook's policies for avoiding conflicts of interest. The Compensation Committee has determined, based on its analysis in light of the factors listed above, that the work of Cook and the individual compensation advisors employed by Cook as compensation consultants to the Company has not created any conflicts of interest and that Cook meets the NYSE standards for independence.

The Role of the Compensation and Management Development Committee

The Compensation Committee is currently comprised of three non-employee independent directors. The Compensation Committee's duties in administering executive compensation programs include the following:

- Review and approve the Company's overall total compensation policy.
- Review and evaluate company performance against pre-established performance metrics.
- Establish the annual total compensation paid to officers and key executives, including base salary, annual incentive, and long-term incentives.
- Regularly review and approve all employment agreements and severance arrangements for the executive officers.
- Review the Company's Compensation Discussion and Analysis disclosure.

The Compensation Committee determines the Chief Executive Officer's salary and incentive awards based upon an assessment of individual and company performance as well as market data provided by the compensation consultant. The Compensation Committee may form and delegate duties to subcommittees when appropriate. A more expansive list of the Compensation Committee's responsibilities can be found in its charter, which can be viewed on our website at www.quanex.com.

Post-Employment Compensation

Severance and change of control benefits are provided under the employment agreements of our executives, as well as under our incentive plans. These benefits are discussed at greater length in the section entitled "Employment Agreements and Potential Payouts upon Termination or Change in Control" on page 41.

Beginning in 2013, the Compensation Committee adopted a policy that it would not provide excise tax gross up benefits to new executives in the event of change in control termination. The Compensation Committee determined that it was important to shareholder interests to continue to honor the commitment to existing executive agreements in which excise tax gross up benefits are provided.

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Deferred Compensation Plan

The Company has a nonqualified deferred compensation program that gives executives the opportunity to defer income. As with our various other plans and programs, this deferral opportunity is designed to attract and retain key executives.

The deferred compensation program is administered by the Compensation Committee. Before they can participate, eligible employees must first receive a recommendation from our senior managers and then final approval by the Compensation Committee. Participants in the program may choose to defer up to 100% of their annual and long-term incentive bonuses. Participants may choose from a variety of investment choices in which the Company will invest their deferrals over the defined deferral period. Until April 1, 2009, when the Company match was suspended, the program provided that we match 20% of the annual incentive deferrals invested in a Common Stock denominated account.

Executive Benefits

Purpose: The role of executive benefits is to provide financial security, enhanced employee welfare, and competitive packages that are meaningful in the markets for which we compete for executive talent. These programs provide meaningful and competitive post retirement income, and in some cases, our plans replace benefits that would otherwise be lost because of plan limits imposed by the Internal Revenue Code.

Competitive Positioning: Our strategy with respect to executive benefits is to provide a meaningful benefit to executives at a cost that is efficient, and our desired competitive positioning is the middle of the market. We provide executives with health and welfare benefits that are consistent with our program for exempt personnel generally. Supplemental retirement and supplemental life benefits are also provided to our officers.

Program Elements:

- **Retirement and other benefits.** Our executives participate in the Company's defined benefit pension plan, 401(k) defined contribution retirement plan, and supplemental executive retirement plans. Executives also receive company contributions under our 401(k) plan, a 15% match under our employee stock purchase program (ESPP) and dividends on unvested restricted stock. The Company previously provided a 20% match under the deferred compensation plan, but that benefit was suspended on April 1, 2009.
- **Life insurance benefits.** Our executives participate in Company provided life insurance, the amount of which takes into consideration their age and/or income. Our executives also have the opportunity to purchase supplemental life insurance.
- **Perquisites.** We provide our executives with certain perquisites which help us compete for executive talent, and in some cases, allow our executives to devote more attention to the business of the Company. Certain perquisites have been grandfathered and not all executives are

provided the same. The various perquisites include financial and tax planning, company provided automobiles or allowances, and club memberships. The Compensation Committee eliminated tax gross-up payments on perquisites, effective December 31, 2009.

Other Compensation Items

Clawback Provision (Recovery of Incentive Payments)

We have implemented a policy to enable the Board, in its judgment and to the extent permitted by governing law, to require reimbursement of any cash bonus or performance shares paid to executives where (a) the value of the award was predicated upon the achievement of certain financial results that were subsequently the subject of a material restatement, and (b) a lower payment would have been made to the executive(s) based on the restated financial results. In each instance, the Company may seek to recover that portion of the affected executive(s) annual and/or long-term incentive payments that is higher than the payment that would have originally been paid. No reimbursement will be required if such material restatement was caused by or resulted from any change in accounting policy or rules.

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Risk Assessment

The Compensation Committee discussed and analyzed risks associated with the Company's compensation policies and practices for executive officers and all employees generally. This discussion included, but was not limited to, topics such as eligibility, affordability, retention impact, corporate objectives, alignment with shareholder interests, governance, and possible unintended consequences. The Compensation Committee did not identify any risks arising from the Company's compensation programs or practices that are reasonably likely to have a material adverse effect on the Company.

Executive Stock Ownership Guidelines

We encourage our executives to own our Common Stock because we believe such ownership provides strong alignment of interests between executives and shareholders. Our executive stock ownership guidelines provide that different levels of executives are expected to own a specific value of our Common Stock, expressed as a percentage of salary. The stock ownership requirement for the current CEO is effective five years after assuming his role. For other executives, the stock ownership requirement is effective three years after they assume their roles. The chart below shows the guidelines by executive level.

Level	Typical Executive Position	Stock Ownership Goal
1	CEO	4x Base Salary
2	SVP	2x Base Salary
3	VP	1x Base Salary

All of our named executives currently are in compliance with the executive stock ownership guidelines.

Timing of Certain Committee Actions

The Compensation Committee schedules actions related to executive pay to coincide with its regularly scheduled Board meeting in December:

Executive Compensation Element	Action Item
Base Salaries	<ul style="list-style-type: none"> Review and/or adjust based on market review Determine year-end results and approve payouts
Short-Term Incentives	<ul style="list-style-type: none"> Set goals for upcoming year
Long-Term Incentives	<ul style="list-style-type: none"> Determine performance results and approve long-term plan's payouts Set goals for long-term plan's next three-year performance cycle

- Determine and approve equity awards, including stock options and restricted stock awards

Compensation decisions related to promotions or new hire awards are addressed on an individual basis, at the time the executive is promoted or first joins the Company.

Accounting Considerations and Tax Deductibility of Executive Compensation

In designing compensation programs, we consider the effects that accounting and taxation may have on us, the named executive officers or other employees as a group. Accounting for compensation arrangements is in accordance with FASB ASC Topic 718. All share based payments to employees are measured at fair value on the date of grant and recognized in the statement of operations as compensation expense over their requisite service periods.

Section 162(m) of the Internal Revenue Code provides that we may not deduct for federal income tax purposes compensation of more than \$1,000,000 paid in any year to the Chief Executive Officer or any of the three other most highly compensated executive officers, excluding the Chief Financial Officer, unless the compensation is paid solely on the

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attainment of one or more pre-established objective performance goals and certain other considerations are met. Under the terms of our annual cash bonus program and performance unit and performance share programs, the Compensation Committee may, in its discretion, adjust payouts to executives downward. Because the plans are intended to comply with Internal Revenue Code Section 162(m), no upward discretion in determining payouts is permitted.

Influence of Say on Pay Results on Executive Compensation Decisions

Management and the Compensation Committee are attentive to the outcome of the shareholder Say on Pay vote. At the Company's 2013 annual shareholder meeting, the Company received significant support for its executive compensation program, with 98% of the votes in favor of the Say on Pay resolution. The Compensation Committee remains responsive to shareholder feedback and believes that the strong support from shareholders indicates satisfaction with the executive compensation program.

Employment Agreements and Potential Payments upon Termination or Change in Control

The Company has entered into change in control agreements with its named executive officers. We believe that the change in control agreements help us attract and retain our named executive officers by reducing the personal uncertainty and anxiety that arises from the possibility of a future business combination. During a potential change in control, we do not want executives leaving to pursue other employment out of concern for the security of their jobs or being unable to concentrate on their work. To enable executives to focus on the best interest of our stockholders, we offer change in control agreements that generally provide benefits to executives whose employment terminates in connection with a change in control. Except as discussed below, no new agreements have been entered into, and there have been no material modifications to any employment or change in control agreement, since December 2008.

During June and July 2013, the Company entered into three change in control agreements. In June, the Company entered into a change in control agreement with Mr. Ketelaar in connection with his assumption of duties as the Company's Vice President-Treasurer & Investor Relations. In July, the Company entered into a change in control agreement with Mr. Williams in connection with his hiring as Vice President-Controller, and with Mr. Griffiths in connection with his assumption of the role of President and Chief Executive Officer.

None of the recently executed change in control agreements provide for a golden parachute excise tax gross-up.

A short summary of the material terms of each change in control agreement is set forth below:

Griffiths Change in Control Agreement

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Under the change in control agreement with Mr. Griffiths, the Company will provide the following benefits in the event that Mr. Griffiths employment is terminated following a change in control of the Company and such termination is (x) by the Company for any reason other than occurrence of an Event of Termination for Cause, or (y) by Mr. Griffiths after the occurrence of an Event of Termination for Good Reason (as such capitalized terms are used in the change in control agreement):

- (i) The Company will pay to Mr. Griffiths his base salary, bonus and benefits accrued through the termination date but not previously paid;

- (ii) The Company will pay to Mr. Griffiths a performance bonus equal to the higher of (x) the target performance bonus for the Fiscal Year in which the termination date occurs and (y) the performance bonus that was actually paid out for the Fiscal Year preceding the Fiscal Year in which the termination date occurs (the higher of (x) and (y) is referred to as the Highest Bonus), in each case pro-rated to reflect the number of days that passed between the beginning of the current fiscal year and the termination date;

- (iii) The Company will pay to Mr. Griffiths an amount equal to 2.99 times the sum of (x) the Highest Bonus and (y) the amount of base salary that would have been paid during the fiscal year in which the termination date occurs based on the assumption that Mr. Griffiths employment would have continued throughout that fiscal year at the base salary rate in effect in the fiscal year in which the termination date occurs, or in the immediately preceding fiscal year, whichever is higher; and

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(iv) For a period of three years or until Mr. Griffiths begins new employment, the Company will maintain in effect, and not materially reduce the benefits provided by, certain of the Company's benefit plans in which Mr. Griffiths will participate.

In the event Mr. Griffiths' severance benefits under the Change in Control Agreement exceed the limits set forth in Section 280G of the Internal Revenue Code (i.e., result in an excess parachute payment greater than 2.99 times Mr. Griffiths' base amount, as such term is defined in the Change in Control Agreement), and such exceedence would result in the imposition of an excise tax, Mr. Griffiths will receive either the net benefits after the excise tax is calculated, or the benefits will be cut back to the point that they do not exceed 2.99 times the base amount, whichever is greater.

Ketelaar and Williams Change in Control Agreements

Under the change in control agreements with Mr. Ketelaar and Mr. Williams, the Company will provide the following benefits to the applicable employee in the event that the employment of such employee is terminated following a Change in Control of the Company, if such termination is (x) by the Company for any reason other than occurrence of an Event of Termination for Cause, or (y) by the employee after the occurrence of an Event of Termination for Good Reason (as such capitalized terms are used in the applicable change of control agreement):

(i) The Company will pay to such employee his base salary, bonus and benefits accrued through the termination date but not previously paid;

(ii) The Company will pay to such employee a performance bonus equal to the higher of (x) the target performance bonus for the Fiscal Year in which the termination date occurs and (y) the performance bonus that was actually paid out for the Fiscal Year preceding the Fiscal Year in which the termination date occurs (the higher of (x) and (y) is referred to herein as the **Highest Bonus**), in each case pro-rated to reflect the number of days that passed between the beginning of the current fiscal year and the termination date;

(iii) The Company will pay to such employee an amount equal to two (2) times the sum of (x) the Highest Bonus and (y) the amount of base salary that would have been paid during the fiscal year in which the termination date occurs based on the assumption that the employee's employment would have continued throughout that fiscal year at the base salary rate in effect in the fiscal year in which the termination date occurs, or in the immediately preceding fiscal year, whichever is higher; and

(iv) For a period of three years or until the employee begins new employment, the Company will maintain in effect, and not materially reduce the benefits provided by, certain of the Company's benefit plans in which such employee will participate.

In addition, to attract certain of our named executive officers to accept employment with us, we agreed to provide those officers who previously were employed by Quanex Corporation with severance agreements that will provide them certain of the protections they would have been entitled to if they had remained with Quanex Corporation following the spin-off of Quanex Building Products Corporation from Quanex Corporation in April 2008. The Company also entered into a letter agreement with the new President and CEO, effective July 9, 2013, which

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contains certain executive severance provisions. The Company entered into these arrangements because executives at this level generally require a longer timeframe to find comparable jobs as fewer jobs at this level exist in the market. In addition, executives often have a large percentage of their personal wealth dependent on the status of their employer, given the requirement to hold a multiple of their salary in stock and the fact that a large part of their compensation is stock-based. The amount and type of benefits were based on competitive market practices for executives at this level.

Provisions of the severance agreements and severance letter arrangement require a termination of employment before any benefits are paid. The change in control agreements require both a change in control and a termination of employment before any benefits are paid (a double trigger). If an executive officer who is covered by both a change in control agreement and a severance agreement or letter arrangement experiences both a change in control of the Company and a termination of employment, benefits are payable under only the change in control agreement; in no event will the executive be able to receive payment under both the severance agreement or letter arrangement and the change in control agreement.

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Severance Agreements of Certain Executives

This section describes the severance agreements entered into by Quanex Building Products with the SVP Finance and CFO and the SVP General Counsel and Secretary. As described above, benefits are payable under the severance agreements following a termination of employment that meets certain requirements. A termination of employment that triggers benefits under the severance agreements includes involuntary termination by the Company without cause. Cause exists if the executive commits gross negligence or willful misconduct in connection with his employment; an act of fraud, embezzlement or theft in connection with his employment; intentional wrongful damage to our property; intentional wrongful disclosure of our secret processes or confidential information; or an act leading to a conviction of a felony or a misdemeanor involving moral turpitude.

If the executive is entitled to benefits under the severance agreement, the executive will receive the following:

- Annual base salary and compensation for earned but unused vacation time accrued through the date of termination of employment;
- Pro-rated amount equal to the greater of the executive's (i) target performance bonus for the year of the termination of employment, or (ii) performance bonus for the year immediately preceding the year of the termination of employment;
- Lump sum severance equal to 18 months of the executive's base salary for the fiscal year in which the termination occurs;
- Continued participation in health and welfare plans and payment of benefit premiums for 18 months; and
- All other perquisites to which the executive is entitled pursuant to the terms of the agreements providing for such perquisites.

President and CEO Severance Letter Agreement

This section describes the severance provisions contained in the letter agreement entered into by the Company and Mr. Griffiths upon his assumption of duties as the Company's Chairman, President and CEO. In the event that Mr. Griffiths' employment is terminated by the Board of Directors for any reason other than Cause, as defined in the change in control agreement, or a material violation of the Company's Code of Business Conduct and Ethics, the following benefits would be payable:

- Base salary continuation for two years (at the rate in effect immediately preceding the date of termination), paid semi-monthly for 24 months;
- Pro-rated AIA bonus for the year of termination, as determined by the Board of Directors; and
- Continued participation in health and welfare plans and payment of benefit premiums (i.e., medical, dental, vision, life, disability and any other welfare plans he currently participates in) for 18 months.

The letter agreement requires Mr. Griffiths to execute a mutually satisfactory release of all claims before the expiration of the 90th day following his termination, or he shall forfeit any and all payment, reimbursements, and benefits due under the letter agreement.

Change in Control Agreements

As described above, benefits are payable under the change in control agreements following both (i) termination of the named executive officer's employment with us and (ii) a change in control of the Company. Each of the following events generally constitutes a change in control of the Company for purposes of the change in control agreements:

- Any person or entity acquiring or becoming beneficial owner as defined in SEC regulations of 20% or more of (i) the then outstanding shares of our Common Stock or (ii) the combined voting power of the then outstanding voting securities of the Company;
- Generally, our current directors ceasing to constitute a majority of our directors;

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- Consummation of a merger, consolidation, or recapitalization (unless the directors continue to represent a majority of the directors on the board, more than 80% of the pre-spin-off ownership survives, and, in the event of a recapitalization, no person owns 20% or more of (i) the then outstanding shares of our common stock or (ii) the combined voting power of our then outstanding voting securities);
- The stockholders approve a complete liquidation or dissolution of the Company; or
- The sale, lease or disposal of substantially all of our assets.

Terminations of employment that meet the termination requirement under the change in control agreements will be similar to but broader than those required under the severance agreements. For these purposes, a termination of employment would include a termination by the Company without cause as well as the executive's resignation for "Good Reason". "Good Reason" under the change in control agreements will include (but will not be limited to):

- the executive is assigned any duties inconsistent with his position; there is a change in his position, authority, duties or responsibilities; he is removed from, or not re-elected or reappointed to, any duties or position he previously held or was assigned or there is a material diminution in such position, authority, duties or responsibilities;
- the executive's annual base salary is reduced;
- the executive's annual bonus is reduced below a certain amount;
- the executive's principal office is relocated outside of the portion of the metropolitan area of the City of Houston, Texas that is located within the highway known as Beltway 8 ;
- the executive's benefits are reduced or terminated;
- any other non-contractual benefits that were provided to the executive or any material fringe benefit is reduced;
- the executive's number of paid vacation days is reduced;

- the executive's office space, related facilities and support personnel (including, but not limited to, administrative and secretarial assistance) are reduced or moved;
- the executive is required to perform a majority of his duties outside our principal executive offices for a period of more than 21 consecutive days or for more than 90 days in any calendar year; or
- any provision of any employment agreement with the executive is breached.

If the executive officer is entitled to benefits under a change in control agreement, the executive officer would receive the following:

- Annual base salary and compensation for earned but unused vacation time accrued through the date of termination of employment;
- Pro-rated amount equal to the greater of the executive officer's (i) target performance bonus for the year of the termination of employment and (ii) performance bonus for the year immediately preceding the year of the termination of employment;
- Lump sum severance equal to 2.99 times (for the Chief Executive Officer), three times (for the Senior Vice Presidents), or two times (for Vice Presidents) the sum of (i) base salary for the year of termination and (ii) the greater of the executive officer's (x) target performance bonus for the year of the termination of employment and (y) performance bonus for the year immediately preceding the year of the termination of employment;
- Continued health and welfare benefits for the shorter of (i) three years from the date of termination or (ii) such time as the executive becomes fully employed; and
- All other perquisites to which the executive is entitled pursuant to the terms of the agreements providing for such perquisites.

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If an executive officer is entitled to benefits under a change in control agreement, the following would occur immediately upon the occurrence of a change in control (regardless of whether the named executive officer's employment is terminated as a result of the change in control):

- all options to acquire our Common Stock and all stock appreciation rights pertaining to Common Stock held by the executive immediately prior to a change in control would become fully exercisable; and
- all restrictions on any restricted Common Stock granted to the executive prior to the change in control would be removed and the stock would be freely transferable.

As set forth above, a named executive officer is entitled to benefits under either the severance agreement or the change in control agreement; under no circumstances can a named executive officer receive payment under both agreements.

Table of Contents**Post-Employment Compensation Table**

The following table quantifies the potential payments to named executive officers under the contracts and plans discussed above for various termination scenarios. In each case, the termination is assumed to take place on October 31, 2013. The table shows only the value of the amounts payable for enhanced compensation and benefits in connection with each termination scenario.

Name	Severance Payment (\$)	Pro-rated Bonus (\$)	Options (Unvested) (1) (\$)	Restricted Stock and RSU (Unvested)(1) (\$)	Performance Units (\$)	Health & Welfare Benefits (2) (\$)	NQ Deferred Compensation (Unvested) (\$)	Retirement (SERP & Restoration) (3) (\$)	Tax Gross-Up (\$)	Total Benefit (\$)
William C. Griffiths										
Enhanced Retirement(4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Death/Disability Involuntary w/o Cause(5)	1,560,000		186,030	140,048		27,802			n/a	1,587,802
Termination after Change in Control(7)	3,109,600	260,000	186,030	1,333,500		61,168			n/a	4,950,298
Brent L. Korb										
Enhanced Retirement(4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Death/Disability Involuntary w/o Cause(5)	577,200	315,260	110,752	601,247	176,667(8)	17,311		3,089,250(9)	n/a	3,977,917
Termination after Change in Control(7)	2,100,180	315,260	110,752	944,118	346,667	45,801		3,169,237	2,374,807	9,406,822
Kevin P. Delaney										
Enhanced Retirement(4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Death/Disability Involuntary w/o Cause(5)	468,000	256,419	93,337	505,787	143,333(8)	27,802		1,829,725(9)	n/a	2,572,188
Termination after Change in Control(7)	1,705,257	256,419	93,337	791,210	283,333	71,944		2,187,497		5,388,999
Martin Ketelaar										
Enhanced Retirement(4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Death/Disability Involuntary w/o Cause			240	5,659					n/a	5,899
Termination after Change in Control(7)	453,334	26,667	240	26,670		60,156			n/a	567,067
M. Dewayne Williams										
Enhanced Retirement(4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Death/Disability Involuntary w/o Cause	430,667	25,333	3,360	17,780		66,505			n/a	543,645

Termination
after Change in
Control(7)

(1) Unvested stock options, restricted shares and RSUs granted under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan are forfeited except upon death, disability, retirement (options and RSUs only) or termination after a Change in Control.

(2) Health & Welfare Benefits paid upon involuntary termination without Cause include company paid COBRA premiums. Health & Welfare Benefits paid upon termination after Change in Control includes continuation of all health & welfare benefits.

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(3) See Narrative to Pension Benefit Table for further description of SERP and Restoration Plan.

(4) Messrs. Griffiths, Korb, Delaney, Ketelaar, and Williams have not reached the minimum retirement requirement of 55 years of age and five years of service with the Company as of October 31, 2013.

(5) These benefits would be provided upon termination by the Company without Cause.

(6) Mr. Griffiths' pro rata bonus paid upon involuntary termination without Cause absent a Change in Control is determined by the Board of Directors pursuant to his Offer Letter. We assumed the Board of Directors would award Mr. Griffiths with his actual 2013 bonus if he was terminated on the last day of the fiscal year.

(7) These benefits would be provided upon termination by the Company without Cause as well as the Executives' resignation for Good Reason in connection with a Change in Control.

(8) Executives are entitled to a pro rata portion of their performance units based on actual performance for the full performance period upon their termination due to death or Disability. Messrs. Korb and Delaney were the only Executives participating as of October 31, 2013. Actual performance for the 2011 awards is 0% of target. With respect to the 2012 and 2013 awards, since actual performance for the full performance period is unknown, target performance level was used for purposes of these calculations.

(9) These amounts represent the present value of the Retirement Benefit as of October 31, 2013. Retirement Benefit amounts for Messrs. Korb and Delaney under the SERP are in the event of Disability only.

Table of Contents**Summary Compensation Table**

The following table provides information about the compensation of the Company's Chief Executive Officer, its Chief Financial Officer, and the other individuals who were officers during the fiscal year ending October 31, 2013. Mr. David D. Petratis retired as Chairman of the Board, President and Chief Executive Officer on July 9, 2013, and was replaced with Mr. William C. Griffiths, who had previously served on the Company's Board of Directors. Amounts presented for Mr. Griffiths do not include any amounts paid to him for his service as a non-employee director. Mr. Jairaj T. Chetnani, Vice President - Treasurer, resigned from his position on June 15, 2013, and was replaced with Mr. Martin P. Ketelaar, who had previously served as Vice President - Investor Relations. Amounts presented for Mr. Ketelaar represent earnings for the full year of service including the period prior to assuming this officer role in July 2013. Ms. Deborah M. Gadin, Vice President - Controller, resigned from her position on June 15, 2013, and was replaced with Mr. M. Dewayne Williams. Amounts presented for Mr. Williams represent earnings since assuming this officer role in July 2013.

Name/Principal Position	Year	Salary (\$)	Bonus (3) (\$)	Stock Awards (2) (\$)	Option Awards (2) (\$)	Non- Equity Incentive Plan Compensation (3) (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (4) (\$)	All Other Compensation (5) (\$)	Total (\$)
William C. Griffiths (1) Chairman of the Board, President & Chief Executive Officer	2013 2012 2011	222,000		1,254,000	1,418,040		8,834	9,165	2,912,039
David D. Petratis Former Chairman of the Board, President & Chief Executive Officer	2013 2012 2011	590,588 745,833 700,000		599,524 1,259,180 464,750	1,188,126 1,085,327 936,007		192,825 644,269 461,260	60,028 65,288 71,121	2,631,091 4,855,797 3,163,138
Brent L. Korb Senior Vice President - Finance & Chief Financial Officer	2013 2012 2011	383,142 367,604 341,250		198,434 524,784 150,410	390,678 352,957 304,257		183,936 291,695 272,051	26,758 27,074 36,914	1,182,948 1,940,674 1,264,882
Kevin P. Delaney Senior Vice President - General Counsel & Secretary	2013 2012 2011	310,665 298,994 287,922		160,436 443,352 126,750	316,476 297,465 256,331		190,486 297,979 274,748	44,201 41,710 44,292	1,022,264 1,689,557 1,120,043
Martin P. Ketelaar (6) Vice President - Treasurer and Investor Relations	2013 2012 2011	193,462	9,888	17,720	49,184		8,806	16,177	295,237
Jairaj T. Chetnani Former Vice President - Treasurer	2013 2012 2011	152,770 208,758 205,000		40,109 36,192 32,110	76,884 74,205 63,901			122,181 21,416 22,994	391,944 472,565 379,067
M. Dewayne Williams Vice President - Controller	2013 2012 2011	58,462		16,940	32,640		2,252	10,772	121,066
Deborah M. Gadin Former Vice President -	2013 2012	138,454 190,710		35,887 128,180	70,626 67,107			106,596 25,736	351,563 568,615

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Controller	2011	185,606	28,730	58,092	30,000	37,970	24,228	364,626
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(1) Mr. Griffiths served as a director prior to accepting the position of Chairman, President, and Chief Executive Officer in July 2013. For the year ended October 31, 2013, Mr. Griffiths earned director fees of \$48,750 and restricted stock

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unit dividends of \$714. For the year ended October 31, 2012, Mr. Griffiths earned director fees of \$65,000 and restricted stock unit dividends of \$749. In addition, Mr. Griffiths received stock option awards with a grant date fair value of \$50,282, and restricted stock units with a grant date fair value of \$25,147. For the year ended October 31, 2011, Mr. Griffiths earned director fees totaling \$65,000 and restricted stock unit dividends of \$441. In addition, Mr. Griffiths received stock option awards with a grant date fair value of \$50,524 and restricted stock units with a grant date fair value of \$25,267.

(2) These columns show respectively, the aggregate grant date fair value for restricted stock, restricted stock units, and stock options computed in accordance with FASB ASC Topic 718. A discussion of the assumptions used in computing the grant date fair values may be found in Note 14, "Stock-Based Compensation" included in Quanex Building Products Corporation's audited financial statements on Form 10-K for the year ended October 31, 2013. These values reflect the Company's assumptions to determine the accounting expense for these awards and do not necessarily correspond to the actual value that may be recognized by the named executive officers. For information regarding the restricted stock, restricted stock units, and option awards granted in fiscal 2013, please see the "Grants of Plan-Based Awards" table located on page 52.

(3) 2013 amounts represent payments made in December 2013 for (a) performance from November 1, 2012 to October 31, 2013, for Annual Incentive Awards (AIA), and (b) performance from November 1, 2010 to October 31, 2013 for Performance Units granted in December 2010. 2012 amounts represent payments made in December 2012 for (a) performance from November 1, 2011 to October 31, 2012, for AIA, and (b) performance from November 1, 2009 to October 31, 2012 for Performance Units granted in December 2009. 2011 amounts represent payments made in December 2011 for performance from November 1, 2008 to October 31, 2011 for Performance Units granted in December 2008.

The AIA and Performance Unit payouts also include the dollar value of the portion of the amounts deferred under the Quanex Building Products Corporation or Quanex Corporation Deferred Compensation ("DC") Plan, as applicable. Under the terms of each DC Plan, participants may elect to defer a portion of their incentive bonus to a mix of cash, or notional common stock units or investment accounts.

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The amounts paid for the AIA and Performance Units, along with the respective deferred amounts, are as follows:

Name	Year	Annual Incentive Awards		Performance Unit Payout	
		Total (\$)	Deferred (\$)	Total (\$)	Deferred (\$)
Griffiths	2013				
	2012				
	2011				
Petratis	2013				
	2012	852,844	426,422	203,056	101,528
	2011			530,000	
Korb	2013				
	2012	315,260		61,300	
	2011			160,000	
Delaney	2013				
	2012	256,419		53,638	
	2011			130,000	
Ketelaar	2013				
	2012				
	2011				
Chetnani	2013				
	2012	95,484		15,328	
	2011			40,000	
Williams	2013				
	2012				
	2011				
Gadin	2013				
	2012	87,229		11,494	
	2011			30,000	

Deferred amounts above were deferred under the Quanex Building Products Corporation DC Plan. Please see the Compensation Discussion and Analysis for a detailed discussion of the performance measures and related outcomes for payments of the awards.

(4) The amounts in this column represent the change in actuarial present value of each individual's accumulated benefit under all defined benefit pension plans. The change in pension value reflects the difference in the present value of accumulated benefits determined as of the end of the current reporting period compared to the end of the previous reporting period. For instance, the change for fiscal 2013 would represent the difference between the value at October 31, 2013 and October 31, 2012. The key assumptions used to calculate the change in value are shown with the Pension Benefits Table. If aggregate changes in pension value during a fiscal year are negative, such amounts are excluded from the Summary Compensation Table. During fiscal 2013, aggregate negative changes in pension value of (\$41,099) and (\$2,154) for Mr. Chetnani and Ms. Gadin, respectively, were excluded from the Summary Compensation Table.

No named executive officer received preferential or above-market earnings on deferred compensation. Non-qualified deferred compensation plan earnings totaling \$82,627 were included in compensation for Mr. Petratis. Losses on non-qualified deferred compensation for Mr. Chetnani and Ms. Gadin were excluded from the Summary Compensation Table.

(5) The named executives receive various perquisites and benefits provided by or paid for by the Company. These perquisites and benefits can include life insurance, financial planning, personal use of automobiles, memberships in social and professional clubs, and relocation reimbursement. Also included are the Company's contributions under its 401(k) plan, a 15% match under its Employee Stock Purchase Program (ESPP), and dividends on unvested restricted stock. The Company temporarily suspended its matching contributions on its 401(k) plan and

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under its ESPP effective April 1, 2009; however, the Board reinstated these matching contributions effective February 1, 2010. In 2009, the Compensation Committee eliminated the tax gross-up payments on perquisites, effective December 31, 2009.

The amounts reported in Other Annual Compensation for the named executives are set forth below:

All Other Compensation

	Year	Life Insurance > \$50,000 (\$)	Financial Planning (\$)	Automobile (\$)	Annual Club Membership (\$)	Severance & Other (\$)	401K Match (\$)	ESPP 15% Stock Match (\$)	Unvested Restricted Stock and RSU Dividends* (\$)	Total (\$)
Griffiths	2013	2,559					3,606		3,000	9,165
	2012									
	2011									
Petratis	2013	3,364			34,230		3,606	2,100	16,728	60,028
	2012	23,472	3,295	1,662	13,641		3,606	3,900	15,712	65,288
	2011	19,538	2,130	1,662	15,328		6,125	1,770	24,568	71,121
Korb	2013	632	1,519	13,656	5,053				5,898	26,758
	2012	3,464		13,294	5,308				5,008	27,074
	2011	3,644	600	12,020	5,053		6,125		9,472	36,914
Delaney	2013	6,073	7,497	12,619	5,599		6,077		6,336	44,201
	2012	6,027	7,500	12,321	5,529		6,077		4,256	41,710
	2011	5,587	7,500	12,518	5,274		6,125		7,288	44,292
Ketelaar	2013	2,203		2,950		7,104	3,606	234	80	16,177
	2012									
	2011									
Chetnani	2013	157	10,000		1,494	104,550	5,484		496	122,181
	2012	1,225		10,509	3,092	50	5,484		1,056	21,416
	2011	1,381		10,679	2,988		5,932		2,014	22,994
Williams	2013	4,030		3,096			3,606		40	10,772
	2012									
	2011									
Gadin	2013	154	10,000		2,789	88,234	4,272	195	952	106,596
	2012	1,005	3,000	10,751	5,308	50	4,272	390	960	25,736
	2011	1,149		10,735	5,053		5,218	345	1,728	24,228

* Cash dividends are paid on unvested restricted stock shares and unvested restricted stock units. The dividend rate is not preferential and is equal to the rate paid on the Company's common stock as disclosed in Part II, Item 5 of the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2013.

(6) Mr. Ketelaar received a bonus under the Company's Management Incentive Plan in December 2012, related to his service as Vice President Investor Relations for the fiscal year ended October 31, 2012.

Table of Contents**Grants of Plan-Based Awards**

The following table discloses the estimated range of payouts that were possible for the fiscal year 2013 Annual Incentive Awards along with potential estimated range of payouts that will be possible with respect to Performance Units granted in December 2012. The table also shows the actual number of stock options and restricted stock awards granted during fiscal 2013 and their respective grant date fair value, as well as the number of Performance Units granted in fiscal 2013.

Grants of Plan-Based Awards

Name	Grant Date	Non-Equity Incentive Plan Awards (1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (4)	All Other Option Awards: Number of Securities Underlying Options (4)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock Awards (5) (6)	Grant Date Fair Value of Option Awards (5)
			Threshold	Target	Maximum					
		(#)	(\$)	(\$)	(\$)	(#)	(#)		(\$)	(\$)
Griffiths	2013 7/09/13		55,500(2)	222,000(2)	444,000(2)	75,000	175,500	\$ 16.72	1,254,000	1,418,040
Petratis	2013 12/05/12	5,600	147,647(2) 420,000(3)	590,588(2) 560,000(3)	1,181,176(2) 1,120,000(3)	28,400	132,900	\$ 21.11	599,524	1,188,126
Korb	2013 12/05/12	1,900	71,839(2) 142,500(3)	287,357(2) 190,000(3)	574,713(2) 380,000(3)	9,400	43,700	\$ 21.11	198,434	390,678
Delaney	2013 12/05/12	1,500	58,250(2) 112,500(3)	232,999(2) 150,000(3)	465,998(2) 300,000(3)	7,600	35,400	\$ 21.11	160,436	316,476
Ketelaar	2013 12/05/12 6/14/13		6,667(2)	26,667(2)	53,333(2)	1,000	2,000 4,000	\$ 21.11 \$ 17.72	17,720	16,344 32,840
Chetnani	2013 12/05/12	400	15,277(2) 30,000(3)	61,108(2) 40,000(3)	122,216(2) 80,000(3)	1,900	8,600	\$ 21.11	40,109	76,884
Williams	2013 7/01/13		5,846(2)	23,385(2)	46,770(2)	1,000	4,000	\$ 16.94	16,940	32,640
Gadin	2013 12/05/12	300	13,845(2) 22,500(3)	55,382(2) 30,000(3)	110,763(2) 60,000(3)	1,700	7,900	\$ 21.11	35,887	70,626

(1) The figures shown reflect Performance Units granted in December 2012 under the Omnibus Plan.

(2) These amounts reflect possible Annual Incentive Award (AIA) payments under the Omnibus Plan for fiscal year 2013, under which the named executive officers were eligible to receive a cash bonus based on a target percentage of base salary. Base salary for each of Messrs. Griffiths, Petratis, Ketelaar, Chetnani and Williams, and Ms. Gadin represents actual W-2 wages and thus was pro-rated based upon the period that the officer held the position as a Company officer during fiscal 2013.

Please see the Compensation Discussion and Analysis section for more information regarding this program, performance units granted thereunder, the related performance measures and the actual performance results.

(3) These amounts reflect possible Performance Unit payments under the Omnibus Plan for Performance Units granted in December 2012 under which the named executive officers are eligible to receive a cash payment, the amount of which is determined by the Company's performance over the performance period from November 1, 2012 through October 31, 2015.

Please see the Compensation Discussion and Analysis section for more information regarding this program, performance units granted thereunder, and the related performance measures. The amounts actually paid to the named executive officers for 2013 pursuant to this program are reflected in the Summary Compensation Table located on page 48.

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(4) The amounts shown reflect grants of restricted stock, restricted stock units, and stock options made under the Omnibus Plan. The stock options are granted at fair market value based on the closing share price as of the grant date.

(5) The fair value shown in this column was calculated in accordance with FASB ASC Topic 718. A discussion of the assumptions used in calculating these values may be found in Note 14, Stock-Based Compensation to the Company's audited financial statements on Form 10-K for the year ended October 31, 2013.

Table of Contents**Outstanding Equity Awards**

The following table provides information about the outstanding equity awards held by the named executive officers as of October 31, 2013:

Outstanding Equity Awards at October 31, 2013

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards			Stock Awards			
		Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)		
Griffiths		175,500(1)	16.72	7/09/2023	75,000(15)	1,333,500		
	5,987	(2)	19.77	10/31/2022				
	8,132	(2)	14.75	10/31/2021				
	6,390	(2)	18.02	10/29/2020				
	5,000	(2)	15.58	2/26/2020				
	5,489	(2)	14.87	10/30/2019				
Petratis		132,900(3)	21.11	12/05/2022				
	56,066	112,134(4)	15.08	11/30/2021				
	85,934	42,966(5)	16.90	12/1/2020				
	121,100	(6)	16.21	12/2/2019				
	199,600	(7)	7.83	12/3/2018				
	100,000	(8)	15.55	7/1/2018				
Korb		43,700(3)	21.11	12/05/2022	9,400(16)	167,132		
	18,233	36,467(4)	15.08	11/30/2021				
	27,934	13,966(5)	16.90	12/1/2020				
	37,500	(6)	16.21	12/2/2019				
	61,800	(7)	7.83	12/3/2018				
	100,000	(9)	15.32	8/1/2018				
Delaney		35,400(3)	21.11	12/05/2022	7,600(16)	135,128		
	15,366	30,734(4)	15.08	11/30/2021				
	23,533	11,767(5)	16.90	12/1/2020				
	32,400	(6)	16.21	12/2/2019				
	50,400	(7)	7.83	12/3/2018				
	104,809	(10)	15.02	4/23/2018				
Ketelaar		4,000(11)	17.72	6/14/2023	1,000(19)	17,780		
		2,000(3)	21.11	12/05/2022			500(16)	8,890
	666	1,334(12)	17.98	9/10/2022				
Chetnani		(13)			(13)			
Williams		4,000(14)	16.94	7/01/2023	1,000(20)	17,780		
Gadin		(13)			(13)			

(1) Mr. Griffiths stock options vest annually in equal installments over a three-year period. One-third of the stock options will vest on July 9, 2014, with the remaining two-thirds vesting in equal installments on July 9, 2015 and 2016.

(2) Mr. Griffiths received these stock option awards while providing service as a non-employee member of the Board of Directors. As such, in accordance with the plan provisions, these stock options vested immediately upon grant.

(3) Messrs. Petratis, Korb, Delaney and Ketelaar's stock options vest annually in equal installments over a three-year period. One-third of the stock options vest on December 5, 2013, with the remaining two-thirds vesting in equal installments on December 5, 2014 and December 5, 2015.

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(4) Messrs. Petratis, Korb and Delaney's stock options vest annually in equal installments over a three-year period. One-third of the stock options vested on November 30, 2012, with the remaining two-thirds vesting in equal installments on November 30, 2013 and November 30, 2014.

(5) Messrs. Petratis, Korb and Delaney's stock options vest annually in equal installments over a three-year period. Two-thirds of the stock options vested in equal installments on December 1, 2011 and December 1, 2012, with the remaining one-third vesting on December 1, 2013.

(6) Messrs. Petratis, Korb and Delaney's stock options vested annually in equal installments over a three-year period. The stock options vested in equal installments on December 2, 2010, December 2, 2011 and December 2, 2012.

(7) Messrs. Petratis, Korb and Delaney's stock options vested annually in equal installments over a three-year period. The stock options vested in equal installments on December 3, 2009, December 3, 2010 and December 3, 2011.

(8) Mr. Petratis's stock options vest annually in equal installments over a three-year period. The stock options vested in equal installments on July 1, 2009, July 1, 2010 and July 1, 2011.

(9) Mr. Korb's stock options vest annually in equal installments over a three-year period. The stock options vested in equal installments on August 1, 2009, August 1, 2010 and August 1, 2011.

(10) Mr. Delaney's stock options vest annually in equal installments over a three-year period. The stock options vested in equal installments on April 23, 2009, April 23, 2010 and April 23, 2011.

(11) Mr. Ketelaar's stock options vest annually in equal installments over a three-year period. One-third of the stock options vest on June 14, 2014, with the remaining two-thirds vesting in equal installments on June 14, 2015 and 2016.

(12) Mr. Ketelaar's stock options vest annually in equal installments over a three-year period. One-third of the stock options vested on September 10, 2013, with the remaining two-thirds vesting in equal installments on September 10, 2014 and 2015.

(13) Mr. Chetnani and Ms. Gadin had no stock options or stock awards outstanding at October 31, 2013.

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(14) Mr. Williams' stock options vest annually in equal installments over a three-year period. One-third of the stock options vest on July 1, 2014, with the remaining two-thirds vesting in equal installments on July 1, 2015 and 2016.

(15) Mr. Griffiths' restricted stock awards fully vest on July 9, 2016, three years from the date of grant.

(16) Messrs. Korb, Delaney and Ketelaar's restricted stock awards fully vest on December 5, 2015, three years from the date of grant.

(17) Messrs. Korb and Delaney's restricted stock awards fully vest on November 30, 2014, three years from the date of grant. In addition, Messrs. Korb and Delaney were awarded restricted stock units totaling 23,200 and 19,600, respectively, which will fully vest on November 30, 2014.

(18) Messrs. Korb and Delaney's restricted stock awards fully vest on December 1, 2013, three years from the date of grant.

(19) Mr. Ketelaar's restricted stock awards fully vest on June 14, 2016, three years from the date of grant.

(20) Mr. Williams' restricted stock awards fully vest on July 1, 2016, three years from the date of grant.

(21) This column shows the total market value of the unvested stock awards as of October 31, 2013, based on the closing price per share of Quanex Building Products Corporation's stock of \$17.78 on October 31, 2013.

Table of Contents**Option Exercises and Stock Vested in Fiscal 2013**

The following table provides information regarding the value realized by the named executive officers upon the exercise of options and vesting of restricted stock awards during the fiscal year ended October 31, 2013.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise(1) (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting(2) (\$)
Griffiths				
Petratis			34,900	730,108
Korb			10,800	225,936
Delaney			9,300	194,556
Ketelaar				
Chetnani	27,974	136,961	2,300	48,116
Williams				
Gadin	70,013	235,234	2,100	43,932

(1) The value realized upon exercise represents the number of options exercised multiplied by the excess of the closing market price of a share of Quanex Building Products Corporation stock on the exercise date over the price on the grant date.

(2) The value realized upon vesting represents the number of shares of stock vesting multiplied by the closing market price of a share of Quanex Building Products Corporation stock on the vesting date.

Pension Benefits

Our named executive officers are eligible to participate in our Salaried and Nonunion Employee Pension Plan, described below, that is generally available to all our salaried and nonunion hourly employees. The named executive officers are also eligible to participate in certain plans, also described below, which are only available to a select group of management and highly compensated employees.

Salaried and Nonunion Employee Pension Plan

We have established the Salaried and Nonunion Employee Pension Plan (the Pension Plan), a noncontributory defined benefit pension plan intended to be a tax-qualified plan under Section 401(a) of the Internal Revenue Code, for the benefit of substantially all of our salaried and nonunion hourly employees. With some exceptions, an employee is eligible to participate in the Pension Plan once that employee has completed one hour of service.

Under the Pension Plan, two main types of benefits are available to participants, depending upon when they began participating in the Pension Plan or the Quanex Corporation Salaried Employees Pension Plan (the Quanex Corporation Pension Plan). The employees who participated in the Quanex Corporation Pension Plan on or before December 31, 2006 are generally referred to as Traditional Participants, while employees who began participating in the Quanex Corporation Pension Plan or the Pension Plan after such date are generally referred to as Cash Balance Participants.

Under the Pension Plan, a Traditional Participant is entitled to receive a monthly single life annuity, payable following termination of employment at or after age 65, equal to the sum of (i) and (ii), less (iii), where:

(i) is the greater of (x) 1.5% of the Traditional Participant's average monthly compensation for the five consecutive calendar years that lead to the highest monthly average multiplied by his whole and fractional years of benefit service earned

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with Quanex Corporation prior to November 1, 1985, or (y) the product of \$9.00 and his years of benefit service earned with Quanex Corporation prior to November 1, 1985;

(ii) is the greater of (x) the sum of 1% of the Traditional Member's average monthly compensation for the five consecutive calendar years that lead to the highest monthly average up to but not in excess of 1/12 of the average of the Social Security taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the Traditional Member attains Social Security retirement age (referred to as Social Security covered compensation) and 1.5% of the Traditional Member's average monthly compensation for the five consecutive calendar years that lead to the highest monthly average in excess of 1/12 of the Traditional Member's Social Security covered compensation, the total of which is then multiplied by his whole and fractional years of benefit service earned with Quanex Corporation and the Company from and after November 1, 1985 or (y) the product of \$9.00 and the Traditional Member's whole and fractional years of benefit service earned with Quanex Corporation and the Company from and after November 1, 1985; and

(iii) is the Traditional Participant's monthly accrued benefit under any qualified defined benefit plan that was maintained at any time by Quanex Corporation or the Company to the extent that the Traditional Participant's service taken into account for benefit accrual purposes under such other plan is taken into account as benefit service under the Pension Plan.

Traditional Participants are eligible for early retirement benefits when they attain age 55 with five years of service. The early retirement benefit is calculated (x) minus (y), where (x) is the sum of items (i) and (ii) immediately above, reduced by 5/9 of 1% for each of the first 60 months that the early retirement benefit payment commencement date precedes the Traditional Participant's normal retirement date and further reduced by 5/18 of 1% for each of the months in excess of 60 that the payment commencement date precedes the Traditional Participant's normal retirement date, and (y) is item (iii) immediately above, but determined as if the Traditional Participant's benefit under such Quanex Corporation qualified defined benefit plan commences to be paid at the same time as the Pension Plan benefit, using the reduction factors used in connection with such other qualified defined benefit plan. No current executive officers are presently eligible to receive retirement benefits under the Pension Plan.

Under the Pension Plan, upon termination of employment with the Company, a Cash Balance Participant receives the following after at least three years of vesting:

The sum of the notional company contributions accrued under the Pension Plan through the date on which the Cash Balance Participant terminates employment with us, where such contribution generally equals 4% of the Cash Balance Participant's compensation for the applicable year; plus

The sum of the interest credits on those notional company contributions accrued under the Pension Plan through the date on which the Cash Balance Participant terminates employment with us, where such contribution generally equals the interest rate on the 30-year Treasury security for the fifth month prior to the first day of the applicable year.

For purposes of both Traditional Participants' benefits and Cash Balance Participants' benefits, the compensation taken into account under the Pension Plan is generally comprised of salary and bonus compensation for the applicable year.

Pension Plan benefits for unmarried participants are generally payable as a single life annuity and for married participants as a 50% joint and survivor annuity, unless the participant and his spouse, if applicable, elect to receive the benefit under another optional form of payment available under the Pension Plan. If the participant receives a benefit other than a single life annuity, the benefit will be adjusted to provide the actuarial equivalence of the participant's benefit under the Pension Plan. This adjustment is designed so Pension Plan benefits will be equivalent as if the option had not been chosen.

Supplemental Employee Retirement Plan

We provide additional retirement benefits to certain of our named executive officers under the Supplemental Employee Retirement Plan (the SERP). Eligibility to participate in the SERP is determined by the Board of Directors. Currently, the former CEO, the SVP Finance and CFO, and the SVP General Counsel and Secretary are the only participants in the SERP.

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Under the SERP, an eligible participant receives a monthly single life annuity (or actuarially equivalent optional form of payment) payable at age 65 equal to:

- 2.75% of the highest consecutive 36-month average of salary and bonus compensation from the last 60 months of employment,
- multiplied by the eligible executive's years of service with the Company (but not in excess of 20 years), and
- reduced by (i) any benefits payable under the Pension Plan and (ii) 50% of the executive's Social Security benefits adjusted pro rata for years of service not in excess of 20 years.

The eligible executive is required to remain employed until he or she has accumulated five years of service in order to receive a benefit under the SERP. SERP participants are eligible for early retirement benefits when they attain age 55 with five years of service. The early retirement benefit is calculated based on average compensation and service at early retirement, and reduced by 5% for each year benefit commencement precedes age 65. No current executive officers are presently eligible to receive retirement benefits under the SERP. Mr. Petratis, our former CEO, is eligible to receive retirement benefits under the SERP and has elected a lump-sum payment which will be paid in January 2014.

Upon an eligible executive's termination of employment after a change in control, he or she will be eligible to receive a lump sum payment in lieu of any other benefit payable from the SERP. The lump sum is equal to the present value of the SERP life annuity, which is payable immediately without reduction for early payment, based on the executive's years of service and compensation at date of termination. The SERP is administered in a manner that is intended to comply with Section 409A of the Internal Revenue Code.

Restoration Plan

We provide additional retirement benefits to our executive officers who do not participate in the SERP under the Restoration Plan (the Restoration Plan). Eligibility to participate in the Restoration Plan is determined by a committee appointed by the Company's Board of Directors. Currently, the CEO, the VP Treasurer, the VP Controller, and the Company's divisional leaders are the only participants in the Restoration Plan.

Under the Restoration Plan, an eligible participant will receive a lump sum actuarial equivalent of a monthly benefit for life payable at age 65 equal to:

- the benefit payable to the eligible executive under the Pension Plan if the compensation taken into account under that plan were not capped at the amount required under Section 401(a)(17) of the Internal Revenue Code,

- reduced by the benefit payable to the executive under the Pension Plan taking into account only the amount of compensation allowed under Section 401(a)(17) of the Internal Revenue Code.

The specific elements of an executive's compensation taken into account for purposes of the Restoration Plan are the same as those items of compensation taken into account for purposes of the Pension Plan, described above.

The eligible executive must remain employed until he or she has accumulated five years of service in order to receive a benefit under the Restoration Plan. Restoration Plan participants are eligible for early retirement benefits when they attain age 55 with five years of service. The early retirement benefit is the actuarial equivalent of his lump sum benefit under the Restoration Plan, determined as of his or her early retirement date. No current executive officers are presently eligible to receive retirement benefits under the Restoration Plan, except Mr. Chetnani and Ms. Gadin, each of which resigned in June 2013 and is scheduled to receive a lump-sum payment in January 2014. The Restoration Plan is administered in a manner that is intended to comply with Section 409A of the Internal Revenue Code.

Table of Contents**Historical Benefits Tables**

The following table discloses the years of credited service of, present single-sum value of the accrued benefits as of October 31, 2013 for, and payments during fiscal year 2013 for the named executive officers under the SERP, the Pension Plan, and the Restoration Plan. For information related to the valuation method and material assumptions applied in quantifying the present value of the current accrued benefit, please see Note 9, Retirement Plans included in the financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2013.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
William C. Griffiths	Restoration Plan (1)	0.32	5,452	
	Pension Plan (2)	0.32	3,382	
David D. Petratis	SERP (1)	5.05	1,729,202	
	Pension Plan (2)	5.05	54,141	
Brent L. Korb	SERP (1)	9.95	837,330	
	Pension Plan (2)	9.95	112,196	
Kevin P. Delaney	SERP (1)	10.29	995,048	
	Pension Plan (2)	10.29	254,994	
Martin P. Ketelaar	Restoration Plan (3)	1.14		
	Pension Plan (2)	1.14	8,806	
Jairaj T. Chetnani	Restoration Plan (3)	4.54	8,286	
	Pension Plan (2)	4.54	399	45,423
M. Dewayne Williams	Restoration Plan (3)	0.33		
	Pension Plan (2)	0.33	2,252	
Deborah M. Gadin	Restoration Plan (3)	7.88	15,688	
	Pension Plan (2)	7.88	124,816	

(1) The SERP provides retirement benefits for certain designated officers in addition to those provided under the Pension Plan. The purpose of the SERP is to supplement those retirement benefits that a Participant may be entitled to receive as a salaried employee of the Company. The SERP pays a retirement benefit to eligible executives following retirement or termination of employment. As noted above, the benefit formula under the SERP equals: 2.75 percent of final average earnings (defined as the highest 36 months of compensation during the last 60 months preceding retirement or termination) multiplied by years of service (not in excess of 20 years), less the sum of (1) the executive's Pension Plan benefit, and (2) one-half of the executive's Social Security benefit multiplied by a fraction (which shall not exceed one), the numerator of which is the executive's number of years of service and the denominator of which is 20. The definition of compensation under the SERP includes W-2 wages modified by excluding reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, welfare benefits, BeneFlex dollars under the Company's medical reimbursement plan, and restricted stock awards and stock options; and modified further by including elective contributions under a Company cafeteria plan and the 401(k) Plan.

Vesting in the SERP is based on five years of service. Early retirement under the SERP requires a participant to attain age 55 with five years of service. None of the named executive officers is currently eligible to receive an early retirement benefit under the SERP, except Mr. Petratis, as discussed above. If a participant retires prior to age 65, the accrued benefit is reduced 5% for each year (and fractional year) that the participant's benefit commencement precedes age 65.

Benefits under the SERP are paid under the following options:

- Single Life Annuity
- 50%, 75%, or 100% Joint & Survivor Annuity
- 10 Year Certain and Life
- Single Lump Sum

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The SERP also pays a death benefit to the designated beneficiary if the participant has retired or terminated employment, but has not commenced payment. In addition, the SERP pays a disability benefit. Should a participant with six months of service terminate due to disability prior to early retirement, the SERP will pay a disability benefit until age 65 equal to 50% of the sum of his monthly earnings in effect at the date of his disability and the monthly equivalent of the average of his incentive awards for the prior three plan years, less the sum of (1) the participant's Pension Plan benefit; (2) the participant's Social Security benefit; (3) the participant's benefit under the Company's group long-term disability insurance plan; (4) the participant's benefit under an individual disability policy provided by the Company; and (5) the participant's benefit under the Company's wage continuation policy plan. Benefits payable from the SERP are equal to the actuarial equivalent of the accrued benefit at date of distribution employing the actuarial equivalent definition from the Pension Plan. The Company has no policy for granting additional service under the SERP. Mr. Griffiths is not participating in the SERP, and therefore participates in the Restoration Plan, described below.

(2) The Pension Plan was established to provide retirement income to the Company's non-union employees. It is an ERISA qualified pension plan. As discussed above, the Pension Plan pays a retirement benefit to eligible participants depending whether the participant is a Traditional Participant or a Cash Balance Participant. A Traditional Participant's Pension Plan Benefit generally is equal to 1.5% of the Traditional Participant's average monthly compensation (that is the participant's high 5 consecutive years of earnings out of the 10 years preceding termination or retirement) times years and fractional years of benefit service earned prior to November 1, 1985 plus the sum of 1% of average monthly compensation up to Social Security covered compensation and 1.5% of the Traditional Member's average monthly compensation in excess of Social Security covered compensation, the total of which is multiplied by years and fractional years of benefit service from, on and after November 1, 1985. Compensation is defined as earned income excluding deferred compensation. Compensation is limited by the compensation limits imposed under the Internal Revenue Code. For Cash Balance Participants, the Pension Plan pays the amount in the participant's account balance with interest at date of termination. The contribution is generally 4% of Pension Plan compensation plus a guaranteed rate of interest. The Pension Plan pays a death benefit prior to retirement to the spouse, or to the estate, if no spouse. The Pension Plan does not provide for a disability retirement. The Pension Plan requires 5 years of vesting service for Traditional Participants and 3 years of vesting service for Cash Balance Participants. Early retirement under the Pension Plan requires a Traditional Participant to have attained age 55 with 5 years of service. None of the named executive officers is currently eligible to receive an early retirement benefit under the Pension Plan. Benefits commencing prior to age 65 are reduced 5/9ths of 1% for each of the first 60 months, and an additional 5/18ths of 1% for each month in excess of 60 that benefits commence prior to age 65. The Company has no policy for granting additional service under the Pension Plan. Mr. Delaney and Ms. Gadin are Traditional Participants, and Messrs. Griffiths, Petratis, Korb, Ketelaar, Chetnani and Williams are Cash Balance Participants. In addition to the payment noted above, Mr. Chetnani received a residual payment of \$401.85 from the qualified plan in December 2013.

(3) The Restoration Plan was established to provide a retirement pay supplement for a select group of management or highly compensated employees so as to retain their loyalty and to offer a further incentive to them to maintain and increase their standard of performance. The Restoration Plan pays a retirement benefit in the form of a lump sum to eligible employees following retirement or termination of employment. If a participant terminates employment, an actuarial equivalent lump sum of the participant's Pension Plan benefit that would be payable if the applicable limitation under section 401(a)(17) of the Code for each fiscal year of the Pension Plan commencing on or after November 1, 1994, was not limited (indexed for increases in the cost of living), less the Participant's Pension Plan benefit. Early retirement under the Restoration Plan requires a participant to have attained age 55 with 5 Years of Service. None of the named executive officers is currently eligible to receive an early retirement benefit under the Restoration Plan, except Mr. Chetnani and Ms. Gadin, as discussed above. The Restoration Plan requires 5 years of service for vesting purposes for Traditional Participants, and three years of service for Cash Balance Participants. In addition, the Restoration Plan pays a death benefit to the designated beneficiary of a participant if the participant has retired or terminated employment, but has not commenced payment. The Restoration Plan does not provide a disability benefit. The Company has no policy for granting additional service under the Restoration Plan.

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The following table discloses contributions, earnings and balances to the named executive officers under the Quanex Building Products Corporation Deferred Compensation Plan (the DC Plan) for the fiscal year ending October 31, 2013.

Name	Executive Contributions FY 2013 (1)	Registrant Contributions in FY 2013	Aggregate Earnings in FY 2013(2)	Aggregate Withdrawals/ Distributions	Aggregate Balance at 10/31/2013 (3)
	(\$)	(\$)	(\$)	(\$)	(\$)
William C. Griffiths					
David D. Petratis	527,950		82,627		3,077,866
Brent L. Korb					
Kevin P. Delaney					
Martin P. Ketelaar					
Jairaj T. Chetnani			(4,886)		47,921
M. Dewayne Williams					
Deborah M. Gadin			(5,678)		123,777

(1) Executive contributions are incentive compensation earned for performance from November 1, 2011 to October 31, 2012 and deferred in December 2012, when they would have otherwise been paid, during fiscal 2013. Mr. Petratis was the only named officer who elected to defer any incentive compensation related to this performance period.

(2) Aggregate earnings primarily reflect the change in market value of the deemed common stock held in each participant's deferred compensation account.

(3) The aggregate balance is as of October 31, 2013, and includes current and previous years' executive and registrant contributions and the earnings on those contributions, less any withdrawals. The amounts reported in the aggregate balance at October 31, 2013 are reported in the Summary Compensation Table or were previously reported as compensation to the named executive officer in the Summary Compensation Table if such individual was included as a named executive officer in the respective previous years.

Qualified Defined Contribution Plans

Salaried and Nonunion Employee 401(k) Plan

We have established the Salaried and Nonunion Employee 401(k) Plan (the 401(k) Plan), a defined contribution plan intended to be a tax-qualified plan under Section 401(a) of the Internal Revenue Code, for the benefit of substantially all of our salaried and nonunion hourly employees. An employee is eligible to participate in the 401(k) Plan on the later of (i) the date the Company or an affiliate which employs the employee adopts the 401(k) Plan or (ii) the date the employee completes one hour of service for the Company.

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Participants in the 401(k) Plan may contribute from 1% of compensation per payroll period up to a maximum percentage per payroll period to be determined by the administrative committee of the Company's plans that was appointed by the Board of Directors (the Benefits Committee). In addition, any new participants who do not affirmatively elect otherwise have 3% of their compensation per payroll period automatically contributed to the 401(k) Plan. To the extent permitted by the Benefits Committee, participants may also make after-tax contributions to the 401(k) Plan.

The Company made matching contributions to each participant's account equal to 50% of the pre-tax contributions the participant makes to the 401(k) Plan up to 5% of the participant's eligible compensation. The Company temporarily suspended its matching contributions to the 401(k) Plan effective April 1, 2009, and reinstated the matching contributions effective February 1, 2010. The Company may, at its discretion, make profit-sharing contributions to the participants' accounts.

Participants will always be 100% vested in their pre-tax and after-tax contributions to the 401(k) Plan. Company matching and profit-sharing contributions vest 20% per year and are 100% vested after five years. In addition, a participant will be 100% vested in all amounts under the 401(k) Plan in the event of (i) disability prior to termination of employment, (ii) retirement or (iii) death prior to termination of employment.

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All distributions from the 401(k) Plan will be made in a single lump sum payment.

Stock Purchase Plans

Employee Stock Purchase Plan

The Employee Stock Purchase Plan (the "Stock Purchase Plan") is designed to provide our eligible employees the opportunity to invest in our Common Stock through voluntary payroll deductions. In addition, participating employees receive a percentage match from the Company, thereby encouraging employees to share in the Company's success and to remain in its service. The Stock Purchase Plan is not intended to meet the requirements of Section 423 of the Internal Revenue Code.

The Stock Purchase Plan is administered by Wells Fargo Shareowner Services (the "Bank"), who may be removed at management's election.

Regular full time employees of the Company (or any of the Company's subsidiaries with the Company's consent) are eligible to participate in the Stock Purchase Plan. Participation in the Stock Purchase Plan is voluntary.

Contributions to the Stock Purchase Plan

Contributions to the Stock Purchase Plan consist of employees' payroll deductions and an amount from the Company equal to 15% of those deductions. The Company temporarily suspended its 15% contribution effective April 1, 2009, and reinstated the contribution effective February 1, 2010. The Bank establishes an account under the Stock Purchase Plan as agent for each eligible employee electing to participate in the Stock Purchase Plan and credits the following sources of cash to each employee's account for the purchase of full and fractional shares of Common Stock ("Plan Shares"):

- such employee's payroll deductions;

- such employee's 15% Company contribution;

- cash dividends received from the Company on all shares in such employee's Stock Purchase Plan account at the time a dividend is paid; and

- cash resulting from the sale of any (i) rights to purchase additional shares of the Company's stock or other securities of the Company, or (ii) securities of any other issuer.

Participants generally may not add shares of Common Stock held in their name to their accounts. All shares are held in the name of the Bank or its nominee as Plan Shares subject to the terms and conditions of the Stock Purchase Plan.

Purchase of Plan Shares

The Bank applies cash credited to each participant's account to the purchase of full and fractional Plan Shares and credits such Plan Shares to such participant's accounts. The price at which the Bank is deemed to have acquired Plan Shares for accounts is the average price, excluding brokerage and other costs of purchase, of all Plan Shares purchased by the Bank for all participants in the Stock Purchase Plan during the calendar month. The Bank purchases Plan Shares in negotiated transactions or on any securities exchange where the Company's Common Stock is traded. The purchases are on terms as to price, delivery and other matters, and are executed through those brokers or dealers, as the Bank may determine.

Stock Certificates

The Bank holds the Plan Shares of all participants in its name or in the name of its nominee evidenced by as many or as few certificates as the Bank determines. No certificates representing Plan Shares purchased for participant's accounts are issued to any participant unless the participant makes a request in writing or until the participant's account is terminated and the participant makes the election described below under Termination and Withdrawal by Participants. Certificates are not issued for less than 10 shares unless the participant's account is terminated.

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Voting of Plan Shares

The Bank will vote each participant's Plan Shares as instructed by the participant on a form to be furnished by and returned to the Bank at least five days (or such shorter period as the law may require) before the meeting at which the Plan Shares are to be voted. The Bank will not vote Plan Shares for which no instructions are received.

Assignment or Sale

Except as otherwise described herein, participants cannot sell, pledge, or otherwise assign or transfer their accounts, any interest in their accounts or any cash or Plan Shares credited to their accounts. Any attempt to do so will be void.

Subject to the restrictions set forth below under *Restrictions on Resale*, each participant may request that the Bank sell:

- all or part of such participant's Plan Shares at any time, if the participant is employed by the Company or in connection with a division or subsidiary of the Company immediately before the Company sells or otherwise disposes of that division or subsidiary and after such sale or other disposition the participant is no longer employed by the Company or its subsidiary; and
- all or any part of such participant's Plan Shares at any time after they have been held in the participant's account for at least one year.

If a participant elects to sell all of his or her Plan Shares, such participant will be deemed to have terminated participation in the Stock Purchase Plan.

Termination and Withdrawal by a Participant

Participants may terminate their participation in the Stock Purchase Plan at any time by giving proper notice. Upon receipt of such notice, unless the participant has made a contrary election in written response to the Bank's notice relating to such participant's account, the Bank will send the participant a certificate or certificates representing the full Plan Shares accumulated in the participant's account and a check for the net proceeds of any fractional share in the participant's account. After the participant's withdrawal, the sale by the participant of any shares of Common Stock issued to the participant upon such withdrawal is subject to the restrictions below under *Restrictions on Resale*. If a participant elects to terminate his or her participation in the Stock Purchase Plan, he or she may not rejoin the Stock Purchase Plan for a period of six months from the date of termination.

Restrictions on Resale

The Company's officers, directors and affiliates (as defined by the relevant securities laws) are subject to certain restrictions on resale that apply to sales by (i) the Bank on their behalf of shares of Common Stock pursuant to the Stock Purchase Plan and (ii) the participant, after he or she withdraws from the Stock Purchase Plan, of shares of Common Stock issued to the participant upon his or her withdrawal from the Stock Purchase Plan.

Nonqualified Defined Benefit and Other Nonqualified Deferred Compensation Plans

The Company's directors, executive officers, key management and highly compensated employees are eligible to participate in certain non-tax qualified plans described below.

2008 Omnibus Incentive Plan, as amended

The Company recognizes the importance of aligning the interests of its directors, officers, and employees with those of its stockholders. This alignment of interests is reflected in the Omnibus Plan, which provides those persons who have substantial responsibility for the management and growth of the Company and its affiliates with additional performance incentives and an opportunity to obtain or increase their proprietary interest in the Company, thereby encouraging them to continue in their employment or affiliation with the Company and its affiliates.

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The Omnibus Plan provides for the granting of stock options, stock appreciation rights (SARs), restricted stock, restricted stock units, performance stock awards, performance unit awards, annual incentive awards, other stock-based awards and cash-based awards. Certain awards under the Omnibus Plan may be paid in cash or in Common Stock. Eligibility will be determined by the Compensation Committee, which has exclusive authority to select the officer and employee participants to whom awards may be granted, and may determine the type, size and terms of each award. The Compensation Committee will also make all determinations that it decides are necessary or desirable in the interpretation and administration of the Omnibus Plan.

Deferred Compensation Plan

The Company maintains the Deferred Compensation Plan, a plan not intended to be qualified under section 401(a) of the Internal Revenue Code, which allows certain highly compensated management personnel and directors to defer all or a portion of their directors' fees, compensation under the Omnibus Plan and compensation under the Management Incentive Plan (the MIP).

Eligibility and Participation

The individuals who are eligible to participate in the Deferred Compensation Plan are all participants in the Omnibus Plan or the MIP, and all of the Company's directors, subject to additional eligibility requirements for participation in the Deferred Compensation Plan as the Compensation Committee may determine from time to time.

Deferral Elections

A participant may elect, during the designated election periods, (1) the percentage of his bonus awarded under the MIP (an Incentive Bonus) earned during the applicable year to be deferred under the Deferred Compensation Plan; (2) the percentage of his compensation earned under the Omnibus Plan during the applicable year (Omnibus Compensation) to be deferred under the Deferred Compensation Plan; (3) the percentage of his director fees earned during the applicable year to be deferred under the Deferred Compensation Plan; (4) the percentage to be deferred in the form of deemed shares of Common Stock or other investment funds provided under the Deferred Compensation Plan; (5) the length of the period for deferral; and (6) the form of payment at the end of the period for deferral (either a lump sum, or quarterly or annual installment payments over a period of time of not less than three nor more than 20 years). All elections made are irrevocable once they are made for a given plan year, except for the election as to how the distribution is to be made or as otherwise permitted under applicable Internal Revenue Service guidance. That election can be changed if the change is made at least 12 months prior to the end of the deferral period, is not effective for at least 12 months and the scheduled payment is no earlier than five years after the date on which the payment would have otherwise have been made or commenced. If the election of the form of distribution is changed and an event causing distribution occurs within one year, the change in election will be ineffective and the original election will remain in effect.

The deferrals in the form of deemed shares of Common Stock elected by all participants in any plan year will not be allowed to exceed 3% of the shares of Common Stock outstanding on the first day of the plan year.

Company Match

Previously, if a participant elected to defer a portion of his Incentive Bonus, Omnibus Compensation or director fees under the Deferred Compensation Plan in the form of deemed shares of the Company's Common Stock for a period of three full years or more, the Company provided a matching award of additional deemed shares of Common Stock equal to 20% of the amount deferred, excluding deferrals of long-term incentives, in the form of deemed shares of our Common Stock. The Company suspended its matching award effective April 1, 2009.

The Participant's Account

Under the Deferred Compensation Plan, an account is established for each participant, which the Company maintains. The account reflects the amount of the obligation to the participant at any given time (comprised of the amount of compensation deferred for the participant under the Deferred Compensation Plan, the Company match, if any, and the amount of income credited on each of these amounts). If the participant elects his deferral to be in the form of deemed shares of our Common Stock, the number of shares credited to his account as Common Stock will be the number of shares of our

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Common Stock that could have been purchased with the dollar amount deferred, without taking into account any brokerage fees, taxes or other expenses that might be incurred in such a transaction, based upon the closing quotation on the NYSE on the date the amount would have been paid had it not been deferred. In addition to the option to hold the account as deemed shares of Common Stock, the participant may choose from a variety of investment choices.

Dividends and Distributions Associated with Company Common Stock.

When dividends or other distributions are declared and paid on the Company's Common Stock, those dividends and other distributions will be accrued in a participant's account based upon the shares of Common Stock deemed credited to the participant's account. Such amounts credited to a participant's account will vest at the same time the underlying deemed shares of Common Stock vest and will be subject to the same forfeiture restrictions. The dividends or other distributions, whether stock, property, cash or other rights, are credited to the account as additional deemed shares of the Company's Common Stock. For this purpose, all dividends and distributions not in the form of deemed shares of the Company's Common Stock or cash are valued at the fair market value as determined by the Compensation Committee.

Common Stock Conversion Election

At any time during a period commencing three years prior to the earliest time a participant could retire under the Pension Plan and ending on the participant's normal retirement date as established under the Pension Plan, the participant is allowed to elect a retirement date under the Pension Plan and may elect to have all deemed shares of Common Stock in his account converted to cash and deemed to be invested in the participant's selected investment options. At any time which is at least three years after deemed Common Stock is credited to a participant's account, the participant is allowed to elect to have such deemed Common Stock converted to cash and deemed to be invested in the participant's selected investment options.

Vesting

All deferrals of the Incentive Bonus, Omnibus Compensation and director fees are 100% vested at all times, except in event of forfeiture as described below. Company matching contributions and dividends are 100% vested after the earliest of (i) three years after the applicable deemed share of Common Stock is credited to the participant's account, (ii) the participant's death, (iii) the participant's termination of employment due to disability or (iv) the participant's retirement.

If the Compensation Committee finds that the participant was discharged by the Company for fraud, embezzlement, theft, commission of a felony, proven dishonesty in the course of his employment by the Company that damaged the Company, for disclosing its trade secrets, or for competing directly or indirectly with the Company at any time during the first two years following his termination of employment, the entire amount credited to his account, exclusive of the total deferrals of the participant, will be forfeited. Notwithstanding the foregoing, such forfeitures will not apply to a participant discharged during the plan year in which a change of control occurs.

Distributions under the Deferred Compensation Plan

Upon a distribution or withdrawal, the balance of all amounts deemed invested in investment funds and the number of deemed shares of Common Stock credited to the participant and required to be distributed is distributed in cash, whether the distribution or withdrawal is in a lump sum or in installments. The value per deemed share of common stock will be calculated based on the closing quotation for the Company's Common Stock on the NYSE. Distributions are made with respect to a participant's interest in the Deferred Compensation Plan upon the expiration of the term of deferral as was previously elected by the participant or upon the participant's earlier death or disability. A withdrawal may be made by the participant prior to an event causing distribution, in an amount needed to satisfy an emergency, in certain unforeseeable events of hardship beyond the control of the participant, as approved by the Compensation Committee.

The Deferred Compensation Plan is administered in a manner that is intended to comply with Section 409A of the Internal Revenue Code.

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The following table sets forth, as of January 8, 2014, the number and percentage of beneficial ownership of shares of Common Stock, Restricted Stock Units, shares of Common Stock credited under the Deferred Compensation Plan, and the amount of shares obtainable upon conversion of options exercisable (or exercisable within 60 days) for each current director and nominee for director of the Company, the executive officers named in the Summary Compensation Table on page 48 of this Proxy Statement, and all officers and directors as a group. Each of the directors and executive officers has sole voting and investment authority with respect to the securities listed by their name below.

	Common Stock Owned of Record	Restricted Stock Units	Common Stock Credited Under DC Plan	Common Stock Underlying Exercisable Options(1)	Total	Percent
William C. Griffiths	105,300	5,954		30,998	142,252	*
Brent L. Korb	84,739	23,200		292,232	400,171	1.1%
Kevin P. Delaney	80,327	19,600		265,442	365,369	*
Martin P. Ketelaar	3,814			1,332	5,146	*
M. Dewayne Williams	3,200				3,200	*
Robert R. Buck		2,647	6,425	15,996	25,068	*
Susan F. Davis	25,182	10,058	17,558	51,428	104,226	*
LeRoy D. Nosbaum		5,758		30,518	36,276	*
Joseph D. Rupp		10,058		51,428	61,486	*
Curtis M. Stevens		5,758	6,350	30,518	42,626	*
David D. Petratis	7,922		85,751	706,033	799,706	2.2%
Deborah M. Gadin	9,319				9,319	*
Jairaj T. Chetnani	4,792		2,701		7,493	*
All Officers and Directors as a group	324,595	83,033	118,785	1,475,925	2,002,338	5.4%

* Less than 1.0%

(1) Includes options exercisable within 60 days.

Section 16(a) Beneficial Ownership Reporting Compliance

Under SEC rules, the Company's directors, executive officers and beneficial owners of more than 10% of the Company's equity securities are required to file periodic reports of their ownership, and changes in that ownership, with the SEC. Based solely on its review of copies of these reports and representations of such reporting persons, the Company believes that all such SEC filing requirements were satisfied during the fiscal year ended October 31, 2013.

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CORPORATE GOVERNANCE

The Company's business is managed under the direction of the Board of Directors. The following corporate governance guidelines have been adopted by the Board of Directors as the framework within which directors and management can effectively pursue the Company's objectives of adding to shareholder value. These guidelines reflect the practices and principles by which the Company operates. The Board periodically reviews and may update these guidelines and other corporate governance matters.

Corporate Governance Guidelines

The Board

1. The business of Quanex Building Products Corporation (the Company) shall be managed by a Board of Directors (the Board) who shall exercise all the powers of the Company not reserved to the shareholders by statute, the Certification of Incorporation or the By-Laws of the Company.
2. The Chief Executive Officer shall be a member of the Board.
3. The size of the Board, the classification of directors, the term of office, and the process for filling vacancies shall be in accordance with the Company's Certificate of Incorporation and By-Laws.
4. In its discretion from time to time and as vacancies may occur, the Board may choose to employ a leadership structure consisting of either (a) a joint Chairman of the Board and Chief Executive Officer with an independent Lead Director, or (b) a non-executive Chairman of the Board, who shall serve in the role of Lead Director, with a separate Chief Executive Officer.

Board Committees

5. The Board shall at all times maintain an Audit Committee, a Nominating & Corporate Governance Committee, an Executive Committee, and a Compensation & Management Development Committee, which shall operate in accordance with applicable laws, their respective Charters as adopted and amended from time to time by the Board, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange.

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6. The membership of the Audit Committee, the Compensation & Management Development Committee, or the Nominating & Corporate Governance Committee shall meet the independence requirements of applicable laws, the New York Stock Exchange, and if deemed appropriate from time to time, meet the definition of non-employee director under Rule 16b-3 under the Securities Exchange Act of 1934, and outside director for purposes of Section 162(m) of the Internal Revenue Code of 1986.

7. The Board may establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's By-Laws as the Board sees fit.

Board Procedure

8. At each regular meeting of the Board, the Board shall meet in executive session, where non-management directors meet without management participation.

9. The Board, in executive session, shall conduct an annual review of the performance of the Chief Executive Officer, taking into account the views and recommendations of the Chairman of the Compensation & Management Development Committee as set forth in the Committee's Charter.

10. The Board shall review policies and procedures developed by the Company and reviewed and approved by the Compensation & Management Development Committee, regarding succession to the position of Chief Executive Officer and positions of other corporate officers and key executives in the event of emergency or retirement.

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11. The Board shall conduct an annual Self-Assessment to determine whether it and its committees are functioning effectively. The full Board shall discuss the evaluation to determine what, if any, action could improve Board and Board committee performance.

Board Resources

12. The Board shall establish methods by which interested parties may communicate directly with the Chairpersons of each Committee or with non-employee directors of the Board as a group and cause such methods to be published.

13. The Company shall provide each director with complete access to the management of the Company, subject to reasonable notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations.

14. The Board and Board committees, to the extent set forth in the applicable committee Charter, have the right to consult and retain independent legal and other advisors at the expense of the Company.

15. The Board or the Company shall establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly-appointed directors of the Company for their benefit either prior to or within a reasonable period of time after their nomination or election as a director.

16. The Board or the Company shall encourage directors to periodically pursue or obtain appropriate programs, sessions or materials as to the responsibilities of directors of publicly-traded companies.

Director Qualifications

17. A majority of the members of the Board must qualify as independent directors in accordance with the applicable rules of the New York Stock Exchange.

18. A director shall not stand for re-election after reaching 70 years of age.

19. Directors shall promptly report changes in their business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board and the Chairman of the Nominating & Corporate Governance Committee.

20. A director shall offer to resign from the Board if the Nominating & Corporate Governance Committee concludes that the director (a) no longer meets the Company's requirements for service on the Board, or (b) has experienced a substantial reduction in responsibilities in full time employment. A director shall also offer to resign from the Board if the director has retired, been terminated, or has otherwise separated from an employer. In an uncontested election, any director who receives a greater number of withheld votes than votes for election must tender his or her resignation to the Board promptly following certification of the shareholder vote. Upon such tendered resignation, the Nominating & Corporate Governance Committee will have forty-five (45) days following certification of the shareholder vote to consider the resignation and recommend to the Board whether or not to accept such resignation. Following the recommendation of the Nominating & Corporate Governance Committee, the Board must decide within ninety (90) days of certification of the shareholder vote whether or not to accept the tendered resignation.

21. No director shall serve as a director, officer or employee of a competitor of the Company.

22. Non-employee directors shall not serve in a paid consulting role for the Company.

23. Directors shall advise the Chairman of the Board and the Chairman of the Nominating & Corporate Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company of which such director is a member.

24. Non-employee directors shall serve on the board of no more than three other public companies.

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25. A director who is also an officer of the Company shall not continue serving on the Board upon separation of employment with the Company, except in special instances to facilitate a transition of management.

26. The Nominating & Corporate Governance Committee shall be responsible for establishing additional qualifications for directors and shall evaluate prospective nominees against the following standards and qualifications, and any additional qualifications it deems appropriate:

a. The ability of the prospective nominee to represent the interests of the shareholders of the Company;

b. The prospective nominee's standards of integrity, commitment and independence of thought and judgment;

c. Whether the prospective nominee would meet the Company's criteria for independence as required by the New York Stock Exchange;

d. The prospective nominee's ability to dedicate sufficient time, energy and attention to the diligent performance of his or her duties, including the prospective nominee's service on other public company boards, as specifically set out in the Company's Corporate Governance Guidelines; and

e. The extent to which the prospective nominee contributes to the range of talent, skill and expertise appropriate for the Board and such other relevant factors as it deems appropriate, including the current composition of the Board, the need for Audit Committee expertise, and the evaluations of other prospective nominees.

Director Responsibilities

27. Directors should exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company in a manner consistent with their fiduciary duties.

28. Directors are expected to attend all Board meetings and meetings of committees to which they are assigned, and at a minimum, 75 percent of such meetings each year.

29. Directors are expected to prepare for all meetings of the Board or committees to which they are assigned by reviewing the materials that are sent to all directors in advance of meetings.

30. Non-employee directors are expected to own, beneficially or otherwise, common shares or common share equivalents of the Company's Common Stock valued at no less than \$200,000, which shares or share equivalents may be accumulated over the first five years of service.

Director Compensation

31. The Nominating & Corporate Governance Committee shall review and recommend for Board approval the form and amount of non-employee director compensation, including cash, equity-based awards and other director compensation.

32. In determining non-employee director compensation, the Nominating & Corporate Governance Committee, may consult with appropriate advisers to determine levels of director compensation similar to the compensation of directors of similar companies.

33. Non-employee directors shall be paid in equity and cash for their services, with a deferral option for fees paid in cash.

34. Unless and until a recommendation is made by the Nominating & Corporate Governance Committee and approval of the Board, the amount of cash compensation for non-employee directors is as follows: Retainer - \$50,000/year paid quarterly; Committee Member Retainer Fees - \$7,500/year paid quarterly for membership on the Audit Committee and \$5,000/year paid quarterly for membership on the Compensation or Governance Committees; Committee chair fees - \$15,000/year paid quarterly for Audit Committee and \$10,000/year paid quarterly for Compensation and Governance Committees; Lead Director fee of \$20,000/year paid quarterly; and reimbursement for all travel and living expenses associated with meeting attendance.

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35. Unless and until a recommendation is made by the Nominating & Corporate Governance Committee and approval of the Board, new non-employee directors shall receive a one-time non-incentive stock option grant of 5,000 shares on his or her first anniversary of service on the Board.

36. Unless and until a recommendation is made by the Nominating & Corporate Governance Committee and approval of the Board, on the last business day of each fiscal year, non-employee directors shall receive an annual non-incentive stock option grant of \$50,000 in equivalent value.

37. Unless and until a recommendation is made by the Nominating & Corporate Governance Committee and approval of the Board, on the last business day of each fiscal year, non-employee directors shall receive an annual restricted stock unit award of \$25,000 in equivalent value.

38. Unless and until a recommendation is made by the Nominating & Corporate Governance Committee and approval of the Board, non-employee directors shall not receive any remuneration from the Company other than as set forth in this Director Compensation section of the Corporate Governance Guidelines.

Role of Lead Director

39. The Lead Director shall preside at each executive session.

40. The Lead Director shall be a member of the Executive Committee and shall have the following responsibilities:

a. Chairing the Board in the absence of the Chairman;

b. Acting as liaison between the Board and the Chairman, as requested by the Board;

c. In concert with the Chairman, setting the agenda for board meetings, based on input from directors and the annual meeting plans;

d. Ensuring that independent directors have adequate opportunity to meet in executive session without management present, and setting the agenda for, and moderating, all such sessions;

- e. Communicating to the Chief Executive Officer, as appropriate, the results of executive sessions among independent directors;

- f. Ensuring that the Board has adequate resources, including full, timely and relevant information, to support its decision making requirements;

- g. Organizing the Board's evaluation of the Chairman and providing the Chairman with feedback related thereto;

- h. Working with the Chairman to ensure proper Committee structure and membership, including the assignment of members and Committee chairs, and appropriate succession planning related to members and Committee chairs;

- i. Notifying the Chairman of the retention of outside advisors and consultants who report directly to the Board;

- j. Participating in one-on-one discussions with individual directors, as requested by the Nominating & Corporate Governance Committee;

- k. Leading the Board self-assessment process, in conjunction with the Nominating & Corporate Governance Committee;

- l. Working with the Chairman to form Special Committees of the Board, as necessary;

- m. Carrying out other duties as requested by the Board or the Nominating & Corporate Governance Committee.

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Officer Responsibilities

41. The Chief Executive Officer shall serve on the board of no more than one other public company.

42. Other executive officers shall serve on the board of no more than one other public company.

43. The Chief Executive Officer is expected to own, beneficially or otherwise, common shares or common share equivalents of the Company's Common Stock of at least 400% of the value of his/her base salary within three years of serving in said role. Senior officers are expected to own, beneficially or otherwise, common shares or common share equivalents of the Company's Common Stock of at least 200% of their base salary and officers 100% of their base salary under the same terms.

Incentive Recoupment

44. To the extent permitted by law, and as determined by the Board in its judgment, the Company may require reimbursement of a portion of any performance-based bonus, whether settled in cash or stock, granted to any executive where (a) the performance bonus payment was predicated upon the achievement of certain financial results that were subsequently the subject of a material restatement; and (b) a lower payment would have been made to the executive(s) based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which the individual performance bonus for the relevant period exceeded the lower payment that would have been made based on the restated financial results. In addition, following any accounting restatement that the Company is required to prepare due to its material noncompliance, as a result of misconduct, with any financial reporting requirement under applicable securities laws, the Company will seek to recover any compensation received by the Chief Executive Officer and Chief Financial Officer to the extent such reimbursement is required under Section 304 of the Sarbanes-Oxley Act of 2002. No reimbursement shall be required if a material restatement was caused by or resulted from any change in accounting policy or rules.

Hedging Prohibition

45. Because the Company believes it is improper and inappropriate for Company employees and directors to engage in short-term or speculative transactions involving Company securities, and in order to ensure that all associates bear the full risks of ownership of Company securities, all associates are prohibited from engaging in any of the following activities with respect to Company securities:

a. Buying or Selling Puts, Calls, or Derivatives. Short sales and the purchase or sale of options of any kind, whether puts, calls or other derivative securities, related to Company securities.

b. *Margin Accounts.* Company associates may not hold Company securities in margin accounts or otherwise pledge Company securities as collateral.

c. *Hedging and Pledging Company Securities.* Company associates are not allowed to engage in hedging transactions related to any Company security they hold, and are not allowed to pledge or create any security interest in any Company security they hold.

Amendment and Waiver

46. The Quanex Corporate Governance Guidelines may be amended, modified, or waived by the Board and waivers of these Guidelines may also be granted by the Nominating & Corporate Governance Committee, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, the rules promulgated thereunder and the applicable rules of the New York Stock Exchange.

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Communications with the Company

Quanex invites inquiries to the Company and its Board of Directors. Interested persons may contact the appropriate individual or department by choosing one of the options below.

General

Investor Information:

For Investor Relations matters or to obtain a printed copy of the Company Code of Ethics, Corporate Governance Guidelines or charters for the Audit, Compensation & Management Development, and Nominating & Corporate Governance Committees of the Board of Directors, send a request to the Company's principal address below or by email to inquiry@quanex.com. This material may also be obtained from the Company website at www.quanex.com in the *Investor Relations* section. The Company has also adopted a Code of Business Conduct & Ethics for Senior Financial Executives that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions. This Code can be obtained without charge in the same manner as the other material described in this paragraph.

The Company's required Securities Exchange Act filings such as annual reports on Form 10-K, quarterly reports on Form 10Q, current reports on Form 8-K, and amendments to those reports are available free of charge through the Company's website, as soon as reasonably practicable after they have been filed with or furnished to the Securities and Exchange Commission (SEC) pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934 (the 1934 Act). Forms 3, 4 and 5 filed with respect to equity securities under Section 16(a) of the 1934 Act are also available on the Company's website. All of these materials are located in the *Investor Relations* section of the Company's website at www.quanex.com. They can also be obtained free of charge upon request to the Company's principal address below or by email to inquiry@quanex.com.

Communications with the Company's Board of Directors:

Persons wishing to communicate to the Company's Board of Directors or a specified individual director may do so by sending them in care of the Chairman of the Board of Directors at the Company's principal address below, or by sending an email to chairman@quanex.com.

As noted in the Corporate Governance Guidelines, the Lead Director shall preside at each executive session of non-management directors. Any stockholder wishing to send communications to such presiding director, or non-management directors as a group, may do so by sending them in the care of Lead Director, Quanex Building Products Corporation Board of Directors, at the Company's principal executive offices.

Alert Line

Accounting Issues:

Persons who have concerns or complaints regarding questionable accounting, internal accounting controls or auditing matters may submit them to the Senior Vice President Finance and Chief Financial Officer at the Company's principal address or by visiting the Company's web-based Alert Line at quanex.alertline.com.

Such communications will be kept confidential to the fullest extent possible. If the individual is not satisfied with the response, they may contact the Audit Committee of the Board of Directors of the Company by sending a communication in care of the Audit Committee Chairman at the Company's principal address below. If concerns or complaints require confidentiality, then this confidentiality will be protected, subject to applicable laws.

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Reporting Illegal or Unethical Behavior:

Employees, officers and directors who suspect or know of violations of the Company Code of Business Conduct and Ethics, or illegal or unethical business or workplace conduct by employees, officers or directors have an obligation to report it. If the individuals to whom such information is conveyed are not responsive, or if there is reason to believe that reporting to such individuals is inappropriate in particular cases, then the employee, officer or director may contact the Chief Compliance Officer, Chief Financial Officer, Director of Internal Audit, or any corporate officer in person, by telephone, by letter to the Company's principal address, or online as set forth below. Quanex also encourages persons who are not affiliated with the Company to report any suspected illegal or unethical behavior.

1) ***By Letter***

Quanex Building Products Corporation

1800 West Loop South, Suite 1500

Houston, Texas 77027

2) ***By Telephone***

Toll Free ALERT LINE (888) 475-0633

3) ***Via Internet***

<https://quanex.alertline.com>

Such communications will be kept confidential to the fullest extent possible. If the individual is not satisfied with the response, he or she may contact the Nominating and Corporate Governance Committee of the Board of Directors of the Company. If concerns or complaints require confidentiality, then this confidentiality will be protected, subject to applicable laws.

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STRUCTURE AND COMMITTEES OF THE BOARD OF DIRECTORS

The Company's Board consists of six directors. The Company's independent directors sit on all of the three primary committees. Therefore the Audit, Compensation & Management Development, and Nominating & Corporate Governance Committees are all comprised solely of independent directors. Mr. Griffiths became Chairman, President and Chief Executive Officer of the Company in July 2013, at which time he was no longer deemed independent. Concurrent with that appointment, Mr. Griffiths was removed from his positions as Chairman and a member of the Nominating & Corporate Governance Committee and as a member of the Compensation & Management Development Committee, which ensured that only independent directors would continue to serve on those committees. In addition, the Board selects a separate independent Lead Director. Currently, Mr. Rupp serves as the independent Lead Director.

The Board believes that its leadership structure is best for the Company at the current time. The Board believes that a number of advantages are gained by combining the positions of Chairman and Chief Executive Officer along with an appropriately empowered Lead Director. By vesting chairmanship duties in the Chief Executive Officer, the Board is effectively providing a leadership role to the director who is most familiar with the Company's business and industry, most capable of effectively identifying strategic priorities, and most effective at leading the strategic discussions that will drive the Company's future. By allowing the Chief Executive Officer to lead meetings and discussions, the Board ensures that its focus remains on those items that are most important to the business and its strategic direction, while allowing independent directors to provide advice and oversight based on their own valuable experience and expertise. It also allows for a more effective flow of information between the Board and management, improving efficiency and reducing confusion about the Company's strategic and operational directions. Further, combining the roles provides for strong and stable leadership vested in a single person, thereby avoiding confusion and providing appropriate accountability for the Company's leader. The Board and the Lead Director ensure this accountability by providing oversight of the Chairman and CEO, both directly by the Lead Director through personal conversations with the Chairman and CEO, and also by the Board through its annual CEO performance reviews and periodic director performance reviews.

The Company's independent directors meet in regularly scheduled executive sessions at each of the Company's Board meetings, without management present and with the Lead Director presiding. The Lead Director is actively engaged in facilitating communication with the individual directors and the Chief Executive Officer and provides guidance and counsel to Mr. Griffiths on behalf of the independent directors.

In addition, the Lead Director is responsible for chairing the Board in the absence of the Chairman; acting as liaison between the Board and the Chairman; assisting the Chairman in setting the agenda for board meetings; ensuring that there are adequate opportunities for executive sessions of the directors and communicating the results of all such sessions; participating in one-on-one discussions with individual directors as requested by the Governance Committee; and working with the Chairman to form special committees of the Board, if necessary.

During fiscal 2013, the Board of Directors met nine times, and the independent directors met five times in executive session with the Lead Director presiding. In addition, the Audit Committee met five times, the Compensation & Management Development Committee met seven times, and the Nominating & Corporate Governance Committee met four times. The Executive Committee did not meet. All directors attended more than 75% of the combined number of Board meetings and meetings of committees of which they are members. The Company's Board of Directors holds a meeting immediately following each year's annual meeting of stockholders. Therefore, members of the Company's Board of Directors generally attend the Company's annual meetings of stockholders. All the current members of the Board who were board members at the time of the meeting attended the 2013 stockholders' meeting in person, except for one member of the Board who attended the meeting telephonically.

Audit Committee

The members of the Audit Committee are Messrs. Buck, Nosbaum, and Stevens (Chairman), each of whom satisfies the independence requirements of the New York Stock Exchange and the 1934 Act and meets the definitions of non-employee director under Rule 16b-3 of the 1934 Act and outside director under Section 162(m) of the Internal Revenue Code of 1986. In addition, all members of the Audit Committee have been designated audit committee financial experts within the meaning of Item 401(h) of Regulation S-K.

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The Audit Committee's responsibilities to the Board are detailed in the written Audit Committee Charter adopted by the Company's Board of Directors, which is posted on the Company's website at www.quanex.com and incorporated in this Proxy Statement by reference. The Audit Committee's primary functions include monitoring the integrity of the Company's financial reporting process, reviewing the Company's system of internal financial and disclosure controls and the performance of the Company's internal audit function, oversight of the Company's annual independent audit and its public accountant's qualifications and independence, and reviewing compliance with applicable laws and regulations which may represent material financial exposure to the Company. Interested Stockholders may also obtain a copy of the Audit Committee Charter, free of charge, by contacting the Company at the address or phone number listed in the section entitled "Communications with the Company".

Audit Committee Report to Stockholders

We have reviewed and discussed the Company's audited financial statements for the year ended October 31, 2013, with senior management and with Deloitte & Touche LLP, certified public accountants, the independent auditors and accountants for the Company. In addition, we have reviewed and discussed with senior management the design and effectiveness of the Company's internal controls over financial reporting and have further reviewed and discussed the opinion and audit of Deloitte & Touche LLP regarding those controls.

We discussed with Deloitte & Touche LLP the matters required to be discussed by AU Section 380, Communication with Audit Committees, with respect to those statements. We have received the written disclosures and the letter from Deloitte & Touche LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte & Touche LLP's communications with the Audit Committee concerning independence, and have discussed with Deloitte & Touche LLP its independence in connection with its audit of the Company's most recent financial statements. We have also reviewed and approved limited non-audit services rendered by Deloitte & Touche LLP and approved all fees paid for audit and non-audit services.

Based on these reviews and discussions, the Audit Committee recommended to the board of directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2013.

The information in the foregoing three paragraphs shall not be deemed to be soliciting material, or be filed with the SEC or subject to Regulation 14A or 14C or to liabilities of Section 18 of the Securities Act, nor shall they be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate these paragraphs by reference.

Dated December 4, 2013

Audit Committee

Curtis M. Stevens, Chairman

Robert R. Buck

LeRoy D. Nosbaum

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The following table reflects fees for professional audit services rendered by Deloitte & Touche LLP for (i) the audit of the Company's financial statements for the fiscal years ended October 31, 2013 and 2012; and (ii) fees billed for other services rendered by Deloitte & Touche LLP during these periods.

	FY 2013	FY 2012
Audit Fees(1)	\$ 1,749,900	\$ 1,357,000
Audit Related Fees(2)		1,000
Tax Fees(3)	60,153	84,000
All Other Fees		
Total	\$ 1,810,053	\$ 1,442,000

(1) Audit Fees consist of professional services and related expenses rendered by Deloitte & Touche LLP for the audit of the Company's annual financial statements, audit of internal controls and review of financial statements included in Forms 10-Q and Form 10-K and other statutory or regulatory filings.

(2) Audit Related Fees include assurance and related services by Deloitte & Touche LLP that are reasonably related to the performance of the audit or review of the Company's financial statements and are not included in Audit Fees.

(3) Tax Fees include professional services rendered by Deloitte & Touche LLP for tax return reviews and miscellaneous consulting.

Procedures for Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services

Pursuant to its charter, the Audit Committee of our Board of Directors is responsible for reviewing and approving, in advance, any audit and any permissible non-audit engagement between the Company and its independent auditors. Deloitte & Touche LLP's engagement to conduct the audit of Quanex Building Products Corporation for fiscal 2013 was approved by the Audit Committee on January 7, 2013. Additionally, each permissible audit and non-audit engagement or relationship between the Company and Deloitte & Touche LLP entered into during fiscal 2012 and fiscal 2013 was reviewed and approved by the Audit Committee, as provided in its charter.

We have been advised by Deloitte & Touche LLP that substantially all of the work done in conjunction with its audit of the Company's financial statements for the most recently completed fiscal year was performed by full-time employees and partners of Deloitte & Touche LLP. The Audit Committee has determined that the provision of services rendered for all other fees, as described above, is compatible with maintaining independence of Deloitte & Touche LLP.

Compensation and Management Development Committee

The current members of the Compensation and Management Development Committee are Messrs. Rupp and Nosbaum and Ms. Davis (Chairwoman). The Compensation and Management Development Committee's responsibilities to the Board are detailed in the Compensation and Management Development Committee Charter, which is available on the Company's website at www.quanex.com and incorporated in this Proxy Statement by reference. Interested Stockholders may also obtain a copy of the Compensation and Management Development Committee Charter, free of charge, by contacting the Company at the address and phone number listed in the section entitled "Communications with the Company".

During the fiscal year ended October 31, 2013, each of Ms. Davis and Messrs. Rupp and Nosbaum satisfied the independence requirements of the New York Stock Exchange and met the definitions of "non-employee director" under Rule 16b-3 under the 1934 Act and "outside director" under Section 162(m) of the Internal Revenue Code of 1986.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serve as a member of the compensation committee or as a member of the board of directors of any other company of which any member of our Compensation Committee or Board of Directors is an executive officer.

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Compensation Committee Report

The Compensation and Management Development Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained elsewhere in this Proxy Statement. Based on this review and discussion, the Compensation and Management Development Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included herein and incorporated by reference into the Company's Annual Report on Form 10-K for the year ended October 31, 2013.

The information in the foregoing paragraph shall not be deemed to be soliciting material, or be filed with the SEC or subject to Regulation 14A or 14C or to liabilities of Section 18 of the Securities Act, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate this paragraph by reference.

Dated December 4, 2013

Compensation and Management Development Committee

Susan F. Davis, Chairwoman

LeRoy D. Nosbaum

Joseph D. Rupp

Nominating & Corporate Governance Committee

All independent directors of the Company serve as members of the Nominating & Corporate Governance Committee, with Mr. Rupp acting as Chairman. Each member of the Nominating & Corporate Governance Committee satisfies the independence requirements of the New York Stock Exchange and the Securities and Exchange Commission.

The Nominating & Corporate Governance Committee's responsibilities to the Board are detailed in the Nominating & Corporate Governance Committee Charter available on the Company's website at www.quanex.com and incorporated herein by reference. Interested Stockholders may also obtain a copy of the Nominating & Corporate Governance Committee Charter, free of charge, by contacting the Company at the address or phone number listed in the section entitled *Communications with the Company*.

The Nominating & Corporate Governance Committee develops and maintains qualification criteria and procedures for the identification and recruitment of candidates for election to serve as directors of the Company. The Nominating & Corporate Governance Committee relies on the

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knowledge and relationships of the Company and its officers and directors, as well as third parties when it deems necessary, to identify and evaluate nominees for director, including nominees recommended by stockholders. Although the Company has no formal policy on diversity for board members, the board considers diversity of experience and background in an effort to ensure that the composition of our directors creates a strong and effective board.

The Company's Corporate Governance Guidelines set forth age limitations for directors and require that a majority of our directors be independent in accordance with the requirements of the New York Stock Exchange and Securities and Exchange Commission. In addition, the Corporate Governance Guidelines set forth the minimum qualifications for a director and provide that the Nominating and Corporate Governance Committee will be responsible for establishing additional qualifications for directors, taking into account the composition and skills of the entire Board. In general, persons considered for Board positions must have demonstrated leadership capabilities, be of sound mind and high moral character, have no personal or financial interest that would conflict with the interests of the Company, possess certain key attributes that benefit the Company, and be willing and able to commit the necessary time for Board and committee service.

Subject to certain exceptions as set out in its charter, the Nominating and Corporate Governance Committee is responsible for reviewing and pre-approving any financial arrangement, transaction or relationship (including indebtedness or guarantees of indebtedness), or series of similar transactions within a fiscal year, in which the Company is a participant, any related party has a direct or indirect material interest, and the amount involved is \$100,000 or more. The Nominating and Corporate Governance Committee is further responsible for providing advance approval of any charitable contribution made

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on behalf of a related party or to an organization where a related party is an officer or director, if the amount involved is \$10,000 or more within a fiscal year, and the Company is a direct or indirect participant.

Nomination of Directors

The Nominating and Corporate Governance Committee will consider director nominees recommended by stockholders of the Company in accordance with the rules and procedures set forth in the Nominating and Corporate Governance Committee's charter and the Company's Amended and Restated Bylaws. Under its charter, the Nominating and Corporate Governance Committee will consider nominees for director recommended by stockholders of the Company, provided such recommendations are addressed to the chairman of the Nominating and Corporate Governance Committee at the Company's principal executive office and received by the Chairman of the Nominating and Corporate Governance Committee in accordance with the time limits set forth in the Company's Bylaws. The Company's Amended and Restated Bylaws in turn provide that, subject to certain limitations discussed below, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as director at the meeting. The Company's Bylaws also provide that a stockholder must give written notice of such stockholder's intent to make such nomination or nominations, either by personal delivery or by United States mail, postage prepaid, which must be delivered to or mailed and received at the Company's principal executive offices not later than the close of business on the 120th day nor earlier than 150 days prior to the first anniversary date of the immediately preceding Annual Meeting; provided, however, that in the event that the date of the Annual Meeting is more than 60 days later than the anniversary date of the immediately preceding Annual Meeting, the notice must be received not later than the close of business on the tenth day following the earlier of the date on which a written statement setting forth the date of the Annual Meeting was mailed to stockholders or the date on which it is first disclosed to the public. Notwithstanding the foregoing, if the number of directors to be elected to the Board at an annual meeting is increased and there is no public announcement by the Company naming all of the nominees for director or specifying the size of the increased board of directors at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Company at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Company.

If a stockholder proposes to nominate a person for election as a director, the notice must set forth (A) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (or any subsequent provisions replacing such Act, rules or regulations), (B) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, and (C) a completed and signed questionnaire, representation and agreement as required by the Company's Amended and Restated Bylaws. The presiding officer of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedures. Subject to the exceptions discussed above, written notice of a stockholder's intent to nominate a person for director at the 2015 Annual Meeting must be given on or before October 30, 2014, and must be given after September 30, 2014.

There are no differences in the manner in which the Nominating and Corporate Governance Committee evaluates nominees for director based on whether the nominee is recommended by the Nominating and Corporate Governance Committee or by a stockholder.

Executive Committee

The current members of the Executive Committee are Messrs. Rupp, Stevens and Griffiths, who is Chairman. When necessary, the Executive Committee acts on behalf of the Board between regularly scheduled meetings of the Board of Directors. Mr. Rupp currently serves as the Board's Lead Director.

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Risk Oversight

Our Board is responsible for oversight of the Company's risk assessment and management process. The Board delegated to the Compensation & Management Development Committee basic responsibility for oversight of management's compensation risk assessment, and the Committee reports to the Board on its review. Our Board also delegated tasks related to risk process oversight to our Audit Committee, which reports the results of its review to the Board. In addition to the reports from the Audit and Compensation & Management Development Committees, our Board periodically discusses risk oversight. The Company's Director of Internal Audit reports directly to the Audit Committee and has direct and unrestricted access to the Committee. In addition, the Audit Committee meets in executive session at each of its meetings with the Director of Internal Audit, the Company's Chief Financial Officer, and a representative of the Company's outside auditor, Deloitte & Touche LLP. The Company's General Counsel also updates the Board at each of its meetings.

Table of Contents**FURTHER INFORMATION****Principal Stockholders**

The following table contains information regarding the beneficial ownership of each person or entity that is known by the Company to be the beneficial owner of more than 5% of the Company's outstanding Common Stock. Such information is based solely upon information provided to the Company by such owners required SEC filings on Schedule 13G. Beneficial ownership is measured against the Company's total shares outstanding as of January 8, 2014.

Name and Address	Amount and Nature of Beneficial Ownership	Percent (%)
BlackRock Institutional Trust Company, N.A. 40 East 52nd Street, New York, NY 10022	4,362,985(1)	11.71
Odey Asset Management LLP 12 Upper Grosvenor Street, London, London & South East W1K 2ND, UK	3,893,270(2)	10.45
T. Rowe Price Associates, Inc. 100 East Pratt Street, Baltimore, MD 21202-1009	3,548,730(3)	9.52
Royce & Associates LLC 745 Fifth Avenue, New York, NY 10151-0099	2,518,133(4)	6.76
Praesidium Investment Management Co. LLC 747 Third Ave., 35th floor, New York, NY 10017-2803	2,032,484(5)	5.46
Gates Capital Management, Inc. 1177 Avenue of the Americas 32nd floor, New York, NY 10036-2714	1,859,158(6)	4.99

(1) Based on its Schedule 13G filed with the SEC on January 10, 2014, BlackRock, Inc. or its subsidiaries possess sole voting authority with respect to 4,210,127 shares and investment authority with respect to all shares.

(2) Based on its Schedule 13G filed with the SEC on April 30, 2013, Odey Asset Management Group Ltd. possesses sole voting authority with respect to all shares.

(3) Based on its Schedule 13G filed with the SEC on December 31, 2012, T. Rowe Price Associates possesses investment authority on 3,548,730 shares and voting authority on 649,490 shares.

(4) Based on its Schedule 13G filed with the SEC on December 31, 2012, Royce & Associates LLC possesses sole voting authority with respect to all shares.

(5) Based on its Schedule 13G filed with the SEC on December 31, 2012, Praesidium Investment Management Co. LLC possesses investment authority on 2,032,484 shares and voting authority on 1,9285,15 shares.

(6) Based on its Schedule 13G filed with the SEC on July 30, 2013, Gates Capital Management, Inc. possesses sole voting authority on all shares.

Other Matters and Stockholder Proposals

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At the date of this Proxy Statement, management is not aware of any matters to be presented for action at the meeting other than those described above. However, if any other matters should come before the meeting, it is the intention of the persons named as proxies in the accompanying proxy card to vote in accordance with their judgment on such matters.

Under Rule 14a-8 of the Securities Exchange Act of 1934, to be included in the proxy materials for the 2014 annual meeting, stockholder proposals that are submitted for presentation at that annual meeting and are otherwise eligible for inclusion in the proxy statement must be received by us no later than September 29, 2014.

The Company's Amended and Restated Bylaws provide that, for business to be properly brought before an Annual Meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Company. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Company, not less than 120 days (which for the 2014 meeting would be October 30, 2014) nor more than 150 days (which for the 2014 meeting would be September 30, 2014) prior to the anniversary date of the immediately preceding Annual Meeting; provided, however, that in the event that the date of the Annual Meeting is more than 60 days (which for the 2014

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meeting would be April 28, 2015) later than the anniversary date of the immediately preceding Annual Meeting, notice by the stockholder to be timely must be received not later than the close of business on the tenth day following the earlier of the date on which a written statement setting forth the date of the Annual Meeting was mailed to stockholders or the date on which it is first disclosed to the public.

To be in proper form, a stockholder's notice must set forth the following items:

(i) If the stockholder proposes to nominate a person for election as a director, the notice must set forth (A) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (or any subsequent provisions replacing such Act, rules or regulations), (B) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, and (C) a completed and signed questionnaire, representation and agreement as required by the Company's Amended and Restated Bylaws.

(ii) If the stockholder proposes to bring any other matter before the Annual Meeting, the notice must set forth (A) a brief description of the business desired to be brought before the Annual Meeting, (B) the reasons for conducting such business at the Annual Meeting, (C) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Company, the language of the proposed amendment), (D) any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, and (E) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder.

(iii) In either case, the notice must also set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made, (A) the name and address, as they appear on the Company's books, of such stockholder proposing such proposal, and of such beneficial owner, if any; (B)(1) the class and number of shares of the Company which are directly or indirectly owned beneficially or of record by such stockholder and by such beneficial owner, (2) the existence and material terms of any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or beneficial owner, if any, has a right to vote any shares of any security of the Company (including, if applicable, any contract, arrangement, understanding or relationship pursuant to which any economic interest in the capital stock to be voted is beneficially owned by a person or persons other than the stockholder of record as of the record date), (3) any short interest in any security of the Company (as such term is defined in Section 3.4 of the Company's Amended and Restated Bylaws), in each case with respect to the information required to be included in the notice pursuant to (1) through (3) above, as of the date of such notice and including, without limitation, any such interests held by members of such stockholder's or such beneficial owner's immediate family sharing the same household; (C) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitation of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations); (D) a representation that the person is a holder of record or otherwise has the right to vote shares of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination; (E) if the person does not own any stock of record, a representation as to who owns the shares of stock the person intends to vote of record and the basis upon which the person has the right to vote the shares of stock; and (F) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group that intends (1) to deliver a proxy statement or form of proxy to holders of at least the percentage of the Company's outstanding capital stock required to approve or adopt the proposal or elect the nominees or (2) otherwise to solicit proxies from stockholders in support of such proposal or nomination.

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Copies of the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2013 (including the financial statements, the financial statement schedules, and any exhibits), as filed with the Securities and Exchange Commission, are available at no charge to stockholders of record upon written request to the address set forth above in the section entitled Communications with the Company.

Houston, Texas

January 24, 2014

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Annex A

**QUANEX BUILDING PRODUCTS CORPORATION
2008 OMNIBUS INCENTIVE PLAN
AS AMENDED AND RESTATED EFFECTIVE FEBRUARY 27, 2014**

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ARTICLE I

ESTABLISHMENT, PURPOSE AND DURATION

1.1 **Establishment.** The Company hereby amends and restates the incentive compensation plan known as the Quanex Building Products Corporation 2008 Omnibus Incentive Plan as set forth in this document. The Plan permits the grant of Options, SARs, Restricted Stock, RSUs, Performance Share Awards, Performance Unit Awards, Annual Incentive Awards, Cash-Based Awards and Other Stock-Based Awards. The Plan was originally effective as of the Effective Date, April 23, 2008. The restated Plan, as adopted by the Board on December 4, 2013, shall become effective upon and subject to stockholder approval at the Company's 2014 stockholder annual meeting.

1.2 **Purpose of the Plan.** The Plan is intended to advance the best interests of the Company, its Affiliates and its stockholders by providing those persons who have substantial responsibility for the management and growth of the Company and its Affiliates with additional performance incentives and an opportunity to obtain or increase their proprietary interest in the Company, thereby encouraging them to continue in their employment or affiliation with the Company or its Affiliates.

1.3 **Duration of Plan.** Subject to earlier termination pursuant to Section 15.1, Awards may be granted under the Plan at any time and from time to time on or prior to February 27, 2024, the tenth anniversary of the effective date of the restatement of the Plan, on which date the Plan will expire except as to Awards then outstanding under the Plan. Such outstanding Awards shall remain in effect until they have been exercised or terminated, or have expired. For the avoidance of doubt, if this restated Plan is not approved by shareholders at the 2014 Annual Meeting, then the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as in effect immediately prior to the Board's adoption of this restated version, shall continue to exist and operate according to all of the terms and conditions of such prior version.

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ARTICLE II

DEFINITIONS

The words and phrases defined in this Article shall have the meaning set out below throughout the Plan, unless the context in which any such word or phrase appears reasonably requires a broader, narrower or different meaning.

2.1 ***Affiliate*** means any corporation, partnership, limited liability company or association, trust or other entity or organization which, directly or indirectly, controls, is controlled by, or is under common control with, the Company. For purposes of the preceding sentence, control (including, with correlative meanings, the terms controlled by and under common control with), as used with respect to any entity or organization, shall mean the possession, directly or indirectly, of the power (a) to vote more than fifty percent (50%) of the securities having ordinary voting power for the election of directors of the controlled entity or organization, or (b) to direct or cause the direction of the management and policies of the controlled entity or organization, whether through the ownership of voting securities or by contract or otherwise.

2.2 ***Annual Incentive Award*** means an Award granted to a Holder pursuant to Article X.

2.3 ***Award*** means, individually or collectively, a grant under the Plan of Options, SARs, Restricted Stock, RSUs, Performance Share Awards, Performance Unit Awards, Annual Incentive Awards, Other Stock-Based Awards and Cash-Based Awards, in each case subject to the terms and provisions of the Plan.

2.4 ***Award Agreement*** means an agreement that sets forth the terms and conditions applicable to an Award granted under the Plan.

2.5 ***Board*** means the board of directors of the Company.

2.6 ***Cash-Based Award*** means an Award granted pursuant to Article XII.

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2.7 *Change in Control* or *Change in Control of the Company* means the occurrence of any of the following after the Effective Date:

(a) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a Covered Person) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20 percent (20%) or more of either (i) the then outstanding shares of the common stock of the Company (the Outstanding Company Common Stock), or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the Outstanding Company Voting Securities); provided, however, that for purposes of this subsection (a) of this Section 2.7, the following acquisitions shall not constitute a Change in Control of the Company: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (c) of this Section 2.7; or

(b) during any period of two consecutive years following the Effective Date, individuals who at the beginning of such period constitute the Board (the Incumbent Board) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Covered Person other than the Board; or

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(c) the consummation of (i) a reorganization, merger or consolidation or sale of the Company, or (ii) a disposition of all or substantially all of the assets of the Company (a Business Combination), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, direct or indirectly, more than 50 percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (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 through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Covered Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20 percent (20%) or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination, were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company;

provided, however, that the foregoing definition of Change in Control shall only apply to awards granted after stockholder approval of this restated Plan, and any and all Award Agreements or other agreements between an Employee or Director and the Company that were in existence as of the date this restated Plan becomes effective shall either continue to be governed by the definition that is provided in such other agreement, or shall be governed by the definition that was provided for in the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as in effect immediately prior to the Board's adoption of this restated version, as applicable.

2.8 **Code** means the United States Internal Revenue Code of 1986, as amended from time to time.

2.9 **Committee** means the Compensation Committee of the Board or a subcommittee thereof formed by the Compensation Committee to act as the Committee hereunder. The Committee shall consist of no fewer than two Directors, each of whom is (a) a non-employee director within the meaning of Rule 16b-3 under the Exchange Act, (b) an outside director within the meaning of Section 162(m) of the Code, and (c) an independent director for purpose of the rules of the principal U.S. national securities exchange on which the shares of Stock are traded, to the extent required by such rules.

2.10 **Company** means Quanex Building Products Corporation, a Delaware corporation, or any successor (by reincorporation, merger or otherwise).

2.11 **Corporate Change** shall have the meaning ascribed to that term in Section 4.5(c).

2.12 **Covered Employee** means an Employee who is a covered employee, as defined in Section 162(m) of the Code and the regulations or other guidance promulgated by the Internal Revenue Service under Section 162(m) of the Code, or any successor statute.

2.13 **Director** means a director of the Company who is not an Employee.

2.14 **Disability** means as determined by the Committee in its discretion exercised in good faith, a physical or mental condition of the Holder that would entitle him to payment of disability income payments under the Company's long-term disability insurance policy or plan for Employees as then in effect; or if the Holder is not covered, for whatever reason, under the Company's long-term disability insurance policy or plan for Employees or in the event the Company does not maintain such a long-term disability insurance policy, Disability means a permanent and total disability as defined in

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Section 22(e)(3) of the Code. A determination of Disability may be made by a physician selected or approved by the Committee and, in this respect, the Holder shall submit to an examination by such physician upon request by the Committee.

2.15 ***Dividend Equivalent*** means a payment equivalent in amount to dividends paid to the Company's stockholders.

2.16 ***Effective Date*** means the later of (a) the date the Plan is approved by the Board, (b) the date the Plan is approved by the stockholder(s) of the Company and (c) the effective date of the Company's first effective registration statement filed under the Securities Act of 1933, as amended.

2.17 ***Employee*** means a person employed by the Company or any Affiliate as a common law employee.

2.18 ***Exchange Act*** shall mean the Securities Exchange Act of 1934, as amended.

2.19 ***Fair Market Value*** of the Stock as of any particular date means (a) if the Stock is traded on a stock exchange, the closing sale price of the Stock on that date as reported on the principal securities exchange on which the Stock is traded or, if there is no closing price on that date, then on the last preceding date on which such a closing price was reported, or (b) if the Stock is traded in the over-the-counter market, the average between the high bid and low asked price on the most recent date, either preceding or succeeding, on which shares of Stock were traded in the over-the-counter market. In the event the Stock is not publicly traded at the time a determination of value is required to be made hereunder, the determination of its Fair Market Value shall be made by the Committee in such manner as it deems appropriate.

2.20 ***Holder*** means a person who has been granted an Award or any person who is entitled to receive shares of Stock or cash under an Award.

2.21 ***Minimum Statutory Tax Withholding Obligation*** means, with respect to an Award, the amount the Company or an Affiliate is required to withhold for federal, state and local taxes based upon the applicable minimum statutory withholding rates required by the relevant tax authorities.

2.22 ***Option*** means a nonqualified stock option to purchase Stock granted pursuant to Article V that does not satisfy the requirements of Section 422 of the Code.

2.23 **Option Price** shall have the meaning ascribed to that term in Section 5.3.

2.24 **Other Stock-Based Award** means an equity-based or equity-related Award not otherwise described by the terms and provisions of the Plan that is granted pursuant to Article XI.

2.25 **Performance-Based Compensation** means compensation under an Award that satisfies the requirements of Section 162(m) of the Code for deductibility of remuneration paid to Covered Employees.

2.26 **Performance Goals** means one or more of the criteria described in Section 9.2 on which the performance goals applicable to an Award are based.

2.27 **Performance Share** means any grant pursuant to Article IX of a unit valued by reference to a designated number of shares of Stock, which value may be paid to the Holder upon achievement of such performance goals as the Committee shall establish.

2.28 **Performance Share Award** means an Award designated as a performance share award granted to a Holder pursuant to Article IX.

2.29 **Performance Unit** means any grant pursuant to Article IX of a unit valued by reference to a designated amount of cash or property other than shares of Stock, which value may be paid to the Holder upon achievement of such performance goals during the performance period as the Committee shall establish.

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2.30 **Performance Unit Award** means an Award designated as a performance unit award granted to a Holder pursuant to Article IX.

2.31 **Period of Restriction** means the period during which Restricted Stock or another Award is 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 VII.

2.32 **Permissible under Section 409A** means with respect to a particular action (such as, the grant, payment, vesting, settlement or deferral of an amount or award under the Plan) that such action shall not subject the compensation at issue to be subject to the additional tax or interest applicable under Section 409A.

2.33 **Plan** means the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended and restated effective as of February 27, 2014.

2.34 **Restricted Stock** means shares of restricted Stock issued or granted under the Plan pursuant to Article VII.

2.35 **Restricted Stock Award** means an Award of shares of Stock subject to restrictions, granted pursuant to Article VII.

2.36 **RSU** means a restricted stock unit credited to a Holder's ledger account maintained by the Company pursuant to Article VIII.

2.37 **RSU Award** means an Award granted pursuant to Article VIII.

2.38 **SAR** means a stock appreciation right granted under the Plan pursuant to Article VI.

2.39 **Section 409A** means Section 409A of the Code and Department of Treasury rules and regulations issued thereunder, as may be amended from time to time.

2.40 **Stock** means the common stock of the Company, \$0.01 par value per share (or such other par value as may be designated by act of the Company's stockholders). In addition, for purposes of the Plan and the Awards, the term Stock shall also be deemed to include any rights to purchase (*Rights*) any junior participating preferred stock of the Company that may then be trading together with the Stock as provided in any agreement entered into by the Company relating to the Rights.

2.41 **Substantial Risk of Forfeiture** shall have the meaning ascribed to that term in Section 409A.

2.42 **Substitute Awards** means Awards granted or shares of Stock issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any subsidiary of the Company or with which the Company or any subsidiary of the Company combines.

2.43 **Termination of Employment** means the termination of the Award recipient's employment relationship with the Company and all Affiliates.

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ARTICLE III

ELIGIBILITY AND PARTICIPATION

3.1 **Eligibility.** The persons who are eligible to receive Awards under the Plan are key Employees and Directors.

3.2 **Participation.** Subject to the terms and provisions of the Plan, the Committee may, from time to time, select the Employees and Directors to whom Awards shall be granted and shall determine the nature and amount of each Award.

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ARTICLE IV

GENERAL PROVISIONS RELATING TO AWARDS

4.1 **Authority to Grant Awards.** The Committee may grant Awards to those key Employees and Directors as the Committee shall from time to time determine, under the terms and conditions of the Plan. Subject only to any applicable limitations set out in the Plan, the number of shares of Stock or other value to be covered by any Award to be granted under the Plan shall be as determined by the Committee in its sole discretion.

4.2 **Dedicated Shares; Maximum Awards.**

(a) *Shares of Stock Under the Plan.* Subject to adjustment as provided in Section 4.5(b), a total of 3,399,280 shares of Stock shall be authorized for Awards granted under the Plan, less one (1) share for every one (1) share that was subject to an Option or SAR granted after December 19, 2013 and 2.06 shares for every one (1) share that was subject to an Award other than an Option or SAR granted after December 19, 2013 under the Plan. Any shares of Stock that are subject to Options or SARs shall be counted against this limit as one (1) share for every one (1) share granted, and any shares of Stock that are subject to Awards other than Options or SARs shall be counted against this limit as 2.06 shares for every one (1) share granted. Any shares issued hereunder may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares purchased in the open market or otherwise.

(b) If after December 19, 2013, any shares of Stock subject to an Award are forfeited, an Award expires or an Award is settled for cash (in whole or in part), then in each such case the shares of Stock subject to such Award shall, to the extent of such forfeiture, expiration or cash settlement, be added to the shares of Stock available for Awards under the Plan, in accordance with Section 4.2(d) below. If, after December 19, 2013, withholding tax liabilities arising from an Award other than an Option or SAR are satisfied by the tendering of shares (either actually or by attestation) or by the withholding of shares by the Company, the shares of Stock so tendered or withheld shall be added to the shares of Stock available for Awards under the Plan in accordance with Section 4.2(d) below. Notwithstanding anything to the contrary contained herein, the following shares shall not be added to the shares of Stock authorized for grant under paragraph (a) of this Section: (i) shares tendered by a participant or withheld by the Company in payment of the purchase price of an Option after December 19, 2013, (ii) shares tendered by a participant or withheld by the Company to satisfy any tax withholding obligation with respect to Options or SARs after December 19, 2013, (iii) shares subject to a SAR after December 19, 2013 that are not issued in connection with its stock settlement on exercise thereof, and (iv) shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of Options after December 19, 2013.

(c) Substitute Awards shall not reduce the shares authorized for grant under the Plan or the limitations on grants to a participant under Section 4.2(f), nor shall shares subject to a Substitute Award be added to the shares of Stock available for Awards under the Plan as provided in paragraph (b) above. Additionally, if a company acquired by the Company or any Company subsidiary or with which the Company or any Company subsidiary combines has shares available under a pre-existing plan approved by stockholders and not adopted in

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contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the shares authorized for grant under the Plan (and shares subject to such Awards shall not be added to the shares available for Awards under the Plan as provided in paragraphs (b) above); provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Directors prior to such acquisition or combination.

(d) Any shares of Stock that again become available for Awards under the Plan pursuant to this Section shall be added as (i) one (1) share for every one (1) share subject to Options or SARs granted under the Plan, and (ii) as 2.06 shares for every one (1) share subject to Awards other than Options or SARs granted under the Plan.

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(e) *Director Awards.* Notwithstanding any other provision of the Plan to the contrary, the aggregate grant date fair value (computed as of the date of grant in accordance with applicable financial accounting rules) of all Awards granted to any Director during any single calendar year shall not exceed \$500,000.

(f) *Annual Award Limits.* Subject to adjustment as provided in Section 4.5(b), no Holder may be granted (i) Options or SARs during any 12-month period with respect to more than 1,500,000 shares of Stock and (ii) Awards intended to constitute Performance-Based Compensation (other than Options or SARs) during any calendar year that are denominated in shares under which more than 1,500,000 shares of Stock may be earned for each 12 months in the vesting period or performance period. During any calendar year no Holder may be granted Awards that are intended to constitute Performance-Based Compensation and are denominated in cash under which more than \$5,000,000 may be earned for each 12 months in the performance period. Each of the limitations in this section shall be multiplied by two with respect to Awards granted to a Holder during the first calendar year in which the Holder commences employment with the Company. If an Award is cancelled, the cancelled Award shall continue to be counted toward the applicable limitation in this Section.

4.3 **Non-Transferability.** Except as provided below, no Award and no shares of Stock that have not been issued or as to which any applicable restriction, performance or deferral period has not lapsed, may be sold, assigned, transferred, pledged or otherwise encumbered, other than by will or the laws of descent and distribution, and such Award may be exercised during the life of the Holder only by the Holder or the Holder's guardian or legal representative. To the extent, and under such terms and conditions, as determined by the Committee, a Holder may assign or transfer an Award without consideration (each transferee thereof, a Permitted Assignee) (a) to the Holder's spouse, children or grandchildren (including any adopted and step children or grandchildren), parents, grandparents or siblings, (b) to a trust for the benefit of one or more of the Holder or the persons referred to in clause (a), (c) to a partnership, limited liability company or corporation in which the Holder or the persons referred to in clause (a) are the only partners, members or shareholders or (d) for charitable donations; provided that such Permitted Assignee shall be bound by and subject to all of the terms and conditions of the Plan and the Award Agreement relating to the transferred Award and shall execute an agreement satisfactory to the Company evidencing such obligations; and provided further that such Holder shall remain bound by the terms and conditions of the Plan and the Award Agreement. The Company shall cooperate with any Permitted Assignee and the Company's transfer agent in effectuating any transfer permitted under this Section.

4.4 **Requirements of Law.** The Company shall not be required to sell or issue any shares of Stock under any Award if issuing those shares of Stock would constitute or result in a violation by the Holder or the Company of any provision of any law, statute or regulation of any governmental authority. Specifically, in connection with any applicable statute or regulation relating to the registration of securities, upon exercise of any Option or pursuant to any other Award, the Company shall not be required to issue any shares of Stock unless the Committee has received evidence satisfactory to it to the effect that the Holder will not transfer the shares of Stock except in accordance with applicable law, including receipt of an opinion of counsel satisfactory to the Company to the effect that any proposed transfer complies with applicable law. The determination by the Committee on this matter shall be final, binding and conclusive. The Company may, but shall in no event be obligated to, register any shares of Stock covered by the Plan pursuant to applicable securities laws of any country or any political subdivision. In the event the shares of Stock issuable on exercise of an Option or pursuant to any other Award are not registered, the Company may imprint on the certificate evidencing the shares of Stock any legend that counsel for the Company considers necessary or advisable to comply with applicable law, or, should the shares of Stock be represented by book or electronic entry rather than a certificate, the Company may take such steps to restrict transfer of the shares of Stock as counsel for the Company considers necessary or advisable to comply with applicable law. The Company shall not be obligated to take any other affirmative action in order to cause or enable the exercise of an Option or any other Award, or the issuance of shares of Stock pursuant thereto, to comply with any law or regulation of any governmental authority.

4.5

Changes in the Company's Capital Structure; Change in Control.

(a) The existence of outstanding Awards shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of bonds, debentures, preferred or prior preference shares ahead of or affecting the Stock or Stock rights, the dissolution or liquidation of the Company, any sale or transfer of all or any part of its assets or business or any other corporate act or proceeding, whether of a similar character or otherwise.

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(b) In the event of any merger, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property, other than a regular cash dividend), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the shares of Stock or the value thereof, such adjustments and other substitutions shall be made to the Plan and to Awards in a manner the Committee deems equitable or appropriate taking into consideration the accounting and tax consequences, including such adjustments in the aggregate number, class and kind of securities that may be delivered under the Plan, the limitations in Section 4.2 (other than to Awards denominated in cash) and, in the aggregate or to any participant, in the number, class, kind and option or exercise price of securities subject to outstanding Awards granted under the Plan (including, if the Committee deems appropriate, the substitution of similar options to purchase the shares of, or other awards denominated in the shares of, another company); provided, however, that the number of shares of Stock subject to any Award shall always be a whole number.

(c) If while unexercised Options or other Awards remain outstanding under the Plan (i) the Company shall not be the surviving entity in any merger, consolidation or other reorganization (or survives only as a subsidiary of an entity other than an entity that was wholly-owned by the Company immediately prior to such merger, consolidation or other reorganization); (ii) the Company sells, leases or exchanges all or substantially all of its assets to any other person or entity (other than an entity wholly-owned by the Company); (iii) the Company is to be dissolved; or (iv) the Company is a party to any other corporate transaction (as defined under Section 424(a) of the Code and applicable Department of Treasury regulations) that is not described in clauses (i), (ii) or (iii) of this sentence (each such event is referred to herein as a *Corporate Change*), then, except as otherwise provided in an Award Agreement or another agreement between the Holder and the Company (provided that such exceptions shall not apply in the case of a reincorporation merger), or as a result of the Committee's effectuation of one or more of the alternatives described below, there shall be no acceleration of the time at which any Award then outstanding may be exercised, and subject to the consummation of such Corporate Change, the Committee, acting in its sole and absolute discretion without the consent or approval of any Holder, shall act to effect one or more of the following alternatives, which may vary among individual Holders and which may vary among Awards held by any individual Holder (provided that, with respect to a reincorporation merger in which Holders of the Company's ordinary shares will receive one ordinary share of the successor corporation for each ordinary share of the Company, none of such alternatives shall apply and, without Committee action, each Award shall automatically convert into a similar award of the successor corporation exercisable for the same number of ordinary shares of the successor as the Award was exercisable for ordinary shares of Stock of the Company):

(1) accelerate the time at which some or all of the Awards then outstanding may be exercised so that such Awards may be exercised in full for a limited period of time on or before a specified date (with any such exercise subject to the consummation of such Corporate Change except in the case of a Corporate Change pursuant to (c)(iii) above), after which specified date all such Awards that remain unexercised and all rights of Holders thereunder shall terminate;

(2) require the mandatory surrender to the Company by all or selected Holders of some or all of the then outstanding Awards held by such Holders (irrespective of whether such Awards are then exercisable under the provisions of the Plan or the applicable Award Agreement evidencing such Award), subject to the consummation of the Corporate Change, in which event the Committee shall thereupon cancel such Award and the Company shall pay to each such Holder an amount of cash per share equal to the excess, if any, of the per share price offered to stockholders of the Company in connection with such Corporate Change over the exercise prices under such Award for such shares;

(3) with respect to all or selected Holders, have some or all of their then outstanding Awards (whether vested or unvested) assumed or have a new award of a similar nature substituted for some or all of their then outstanding Awards under the Plan (whether vested or unvested) by an entity which is a party to the transaction resulting in such Corporate Change and which is then employing such Holder or which is affiliated or associated with such Holder in the same or a substantially similar manner as the Company prior to the Corporate Change, or a

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parent or subsidiary of such entity, provided that (1) such assumption or substitution is on a basis where the excess of the aggregate fair market value of the Stock subject to the Award immediately after the assumption or substitution over the aggregate exercise price of such Stock is equal to the excess of

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the aggregate fair market value of all Stock subject to the Award immediately before such assumption or substitution over the aggregate exercise price of such Stock, and (2) the assumed rights under such existing Award or the substituted rights under such new Award, as the case may be, will have the same terms and conditions as the rights under the existing Award assumed or substituted for, as the case may be;

(4) provide that the number and class or series of Stock covered by an Award (whether vested or unvested) theretofore granted shall be adjusted so that such Award when exercised shall thereafter cover the number and class or series of Stock or other securities or property (including, without limitation, cash) to which the Holder would have been entitled pursuant to the terms of the agreement or plan relating to such Corporate Change if, immediately prior to such Corporate Change, the Holder had been the holder of record of the number of shares of Stock then covered by such Award; or

(5) make such adjustments to Awards then outstanding as the Committee deems appropriate to reflect such Corporate Change (provided, however, that the Committee may determine in its sole and absolute discretion that no such adjustment is necessary).

Any adjustment effected by the Committee under Section 4.5 shall be designed to provide the Holder with the intrinsic value of his or her Award, as determined prior to the Corporate Change, or, if applicable, equalize the Fair Market Value of the Award before and after the Corporate Change.

In effecting one or more of the alternatives set out in paragraphs (C), (D) or (E) immediately above, and except as otherwise may be provided in an Award Agreement or other agreement between the Company and a Holder, the Committee, in its sole and absolute discretion and without the consent or approval of any Holder, may accelerate the time at which some or all Awards then outstanding may be exercised, subject to the consummation of the Corporate Change.

(d) After a merger of one or more corporations into the Company or after a consolidation of the Company and one or more corporations in which the Company shall be the surviving corporation, each Holder shall be entitled to have his Restricted Stock appropriately adjusted based on the manner in which the shares of Stock were adjusted under the terms of the agreement of merger or consolidation.

(e) Except as provided in Section 4.5(b), the issuance by the Company of stock of any class or series, or securities convertible into, or exchangeable for, stock of any class or series, for cash or property, or for labor or services either upon direct sale or upon the exercise of rights or warrants to subscribe for them, or upon conversion or exchange of stock or obligations of the Company convertible into, or exchangeable for, stock or other securities, shall not affect, and no adjustment by reason of such issuance shall be made with respect to, the number, class or series, or price of shares of Stock then subject to outstanding Options or other Awards.

(f) *Change in Control; Impact on Certain Awards.* Unless otherwise provided in an Award Agreement or other agreement between a Holder and the Company, the Committee shall have the right to provide that in the event of a Change in Control of the Company:

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(i) Options and SARs outstanding as of the date of the Change in Control shall be cancelled and terminated without payment if the Fair Market Value of one share as of the date of the Change in Control is less than the per share Option exercise price or SAR grant price, and (ii) all performance-based Awards shall be (A) considered to be earned and payable based on achievement of performance goals or based on target performance (either in full or pro rata based on the portion of performance period completed as of the date of the Change in Control), and any limitations or other restrictions shall lapse and such performance-based Awards shall be immediately settled or distributed or (B) converted into Restricted Stock or Restricted Stock Unit Awards based on achievement of performance goals or based on target performance (either in full or pro rata based on the portion of performance period completed as of the date of the Change in Control).

(1) *Assumption or Substitution of Certain Awards.* Unless otherwise provided in an Award Agreement or other agreement between a Holder and the Company, in the event of a Change in Control of the Company in which the successor company assumes or substitutes for an outstanding Award (or in which the Company is the ultimate parent corporation and continues the

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Award), if a Holder's employment with such successor company (or the Company) or a subsidiary thereof terminates within 24 months following such Change in Control (or such other period set forth in the Award Agreement or other Company agreement, including prior thereto if applicable) and under the circumstances specified in the Award Agreement or other Company agreement: (x) Options and SARs outstanding as of the date of such termination of employment will immediately vest, become fully exercisable, and may thereafter be exercised for 24 months (or the period of time set forth in the Award Agreement or other Company agreement); (y) the restrictions, limitations and other conditions applicable to Awards other than Options and SARs outstanding as of the date of such termination of employment shall lapse and the Award shall become free of all restrictions, limitations and conditions and become fully vested. For the purposes of this Section 4.5(f), an Award shall be considered assumed or substituted for if following the Change in Control the Award confers the right to purchase or receive, for each share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash or other securities or property) received in the transaction constituting the Change in Control by holders of shares for each share of Stock held on the effective date of such transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares); provided, however, that if such consideration received in the transaction constituting a Change in Control is not solely common stock of the successor company, the Committee may, with the consent of the successor company, provide that the consideration to be received upon the exercise or vesting of an Award, for each share of Stock subject thereto, will be solely common stock of the successor company with a fair market value substantially equal to the per share consideration received by holders of shares in the transaction constituting a Change in Control. The determination of whether fair market value is substantially equal shall be made by the Committee in its sole discretion and its determination shall be conclusive and binding.

(2) Unless otherwise provided in an Award Agreement or other agreement between a Holder and the Company, in the event of a Change in Control of the Company to the extent the successor company does not assume or substitute for an outstanding Award (or in which the Company is the ultimate parent corporation and does not continue the Award), then immediately prior to the Change in Control: (x) those Options and SARs outstanding as of the date of the Change in Control that are not assumed or substituted for (or continued) shall immediately vest and become fully exercisable; (y) restrictions, limitations and other conditions applicable to Awards other than Options and SARs that are not assumed or substituted for (or continued) shall lapse and the Award shall become free of all restrictions, limitations and conditions and become fully vested; and (z) any performance-based Award shall be either deemed fully earned at the target amount or earned based on performance as of the date on which the Change of Control occurs, as set forth in the Award Agreement or other Company agreement.

(3) The Committee, in its discretion, may determine that, upon the occurrence of a Change in Control, each Option and SAR outstanding shall terminate within a specified number of days after notice to the Holder, and/or that each Holder shall receive, with respect to each share subject to such Option or SAR, an amount equal to the excess of the Fair Market Value of such share immediately prior to the occurrence of such Change in Control over the exercise price per share of such Option and/or SAR; such amount to be payable in cash, in one or more kinds of stock or property (including the stock or property, if any, payable in the transaction) or in a combination thereof, as the Committee, in its discretion, shall determine.

4.6 **Election Under Section 83(b) of the Code.** If a Holder makes an election under Section 83(b) of the Code to be taxed with respect to a Restricted Stock Award as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Holder would otherwise be taxable under Section 83(a) of the Code, the Holder shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service. Notwithstanding the foregoing, the Committee may provide in an Award Agreement that a Restricted Stock Award is conditioned upon the Holder making or refraining from making an election with respect to the Award under Section 83(b) of the Code.

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4.7 **Forfeiture for Cause.** Notwithstanding any other provision of the Plan or an Award Agreement, if the Committee finds by a majority vote that a Holder, before or after his Termination of Employment (a) committed fraud, embezzlement, theft, felony or an act of dishonesty in the course of his employment by the Company or an Affiliate which conduct damaged the Company or an Affiliate or (b) disclosed trade secrets of the Company or an Affiliate, then as of the date the Committee makes its finding, any Awards awarded to the Holder that have not been exercised by the Holder (including all Awards that have not yet vested) will be forfeited to the Company. The findings and decision of the Committee with respect to such matter, including those regarding the acts of the Holder and the damage done to the Company, will be final for all purposes. No decision of the Committee, however, will affect the finality of the discharge of the individual by the Company or an Affiliate.

4.8 **Forfeiture Events.** The Committee may specify in an Award Agreement that the Holder'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 Holder's provision of services to the Company or its Affiliates, violation of material policies of the Company and its Affiliates, breach of noncompetition, confidentiality, or other restrictive covenants that may apply to the Holder, or other conduct by the Holder that is detrimental to the business or reputation of the Company and its Affiliates.

4.9 **Award Agreements.** Each Award shall be embodied in a written agreement (which may also be in electronic form) that shall be subject to the terms and conditions of the Plan. The Award Agreement shall be signed by an executive officer of the Company, other than the Holder, on behalf of the Company, and may be signed by the Holder to the extent required by the Committee. The Award Agreement may specify the effect of a Change in Control of the Company on the Award. The Award Agreement may contain any other provisions that the Committee in its discretion shall deem advisable which are not inconsistent with the terms and provisions of the Plan.

4.10 **Amendments of Award Agreements.** The terms of any outstanding Award under the Plan may be amended from time to time by the Committee in its discretion in any manner that it deems appropriate and that is consistent with the terms of the Plan. However, no such amendment shall adversely affect in a material manner any right of a Holder without his or her written consent.

4.11 **Rights as Stockholder.** Except as otherwise provided in the Plan, a Holder shall not have any rights as a stockholder with respect to Stock covered by an Option, a SAR, an RSU, a Performance Share, a Performance Share Unit, or an Other Stock-Based Award until the date, if any, such Stock is issued by the Company; and, except as otherwise provided in Section 4.5, no adjustment for dividends, or otherwise, shall be made if the record date therefor is prior to the date of issuance of such Stock.

4.12 **Issuance of Shares of Stock.** Shares of Stock, when issued, may be represented by a certificate or by book or electronic entry.

4.13 **Restrictions on Stock Received.** The Committee may impose such conditions and/or restrictions on any shares of Stock issued pursuant to an Award as it may deem advisable or desirable. These restrictions may include, but shall not be limited to, a requirement that the Holder hold the shares of Stock for a specified period of time.

4.14 **Compliance With Section 409A.** This Plan is intended to comply and shall be administered in a manner that is intended to comply with Section 409A, and all Awards are intended to be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A.

4.15 **Prohibition on Repricing.** Other than pursuant to Section 4.5(b), the Committee shall not without the approval of the Company's stockholders (a) lower the Option Price per share of an Option/SAR after it is granted, (b) cancel an Option/SAR when the Option Price per share exceeds the Fair Market Value of one share in exchange for cash or another Award (other than in connection with a Change in Control), or (c) take any other action with respect to an Option/SAR that would be treated as a repricing under the rules and regulations of the principal U.S. national securities exchange on which the shares of Stock are listed.

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ARTICLE V

OPTIONS

5.1 **Authority to Grant Options.** Subject to the terms and provisions of the Plan, the Committee, at any time, and from time to time, may grant Options under the Plan to eligible persons in such number and upon such terms as the Committee shall determine.

5.2 **Option Agreement.** Each Option grant under the Plan shall be evidenced by an Award Agreement that shall specify (a) the Option Price, (b) the duration of the Option, (c) the number of shares of Stock to which the Option pertains, (d) the exercise restrictions, if any, applicable to the Option and (e) such other provisions as the Committee shall determine that are not inconsistent with the terms and provisions of the Plan.

5.3 **Option Price.** Except in the case of Substitute Awards, the price at which shares of Stock may be purchased under an Option (the *Option Price*) shall not be less than one hundred percent (100%) of the Fair Market Value of the shares of Stock on the date the Option is granted. Subject to the limitations set forth in the preceding sentences of this Section 5.3, the Committee shall determine the Option Price for each grant of an Option under the Plan.

5.4 **Duration of Option.** An Option shall not be exercisable after the earlier of (a) the general term of the Option specified in the applicable Award Agreement (which shall not exceed ten years) or (b) the period of time specified in the applicable Award Agreement that follows the Holder's Termination of Employment or severance of affiliation relationship with the Company. Notwithstanding the foregoing, if that on the last business day of the term of an Option (i) the exercise of the Option is prohibited by applicable law or (ii) shares may not be purchased or sold by certain employees or directors of the Company due to the black-out period of a Company policy or a lock-up agreement undertaken in connection with an issuance of securities by the Company, the term of the Option shall be extended for a period of 30 days following the end of the legal prohibition, black-out period or lock-up agreement.

5.5 **Amount Exercisable.** Each Option may be exercised at the time, in the manner and subject to the conditions the Committee specifies in the Award Agreement in its sole discretion.

5.6 **Exercise of Option.** Subject to the terms and provisions of the Plan and the applicable Award Agreement, Options may be exercised in whole or in part from time to time by the delivery of written or electronic notice in the manner designated by the Committee stating (a) that the Holder wishes to exercise such Option on the date such notice is so delivered, (b) the number of shares of Stock with respect to which the Option is to be exercised and (c) the address to which any certificate representing such shares of Stock should be mailed. For the notice to be effective the notice must be accompanied by payment of the Option Price by any combination of the following: (i) cash, certified check, bank draft or postal or express money order for an amount equal to the Option Price under the Option, (ii) an election to make a cashless

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or net exercise (if approved in advance by the Committee or an executive officer of the Company, and in such form as permitted by the Committee) or (iii) any other form of payment which is acceptable to the Committee and permitted by applicable law.

Notwithstanding the foregoing, an Award Agreement may provide that if on the last day of the term of an Option the Fair Market Value of one share of Stock exceeds the Option Price per share, the Holder has not exercised the Option (or a tandem SAR, if applicable) and the Option has not expired, the Option shall be deemed to have been exercised by the Holder on such day with payment made by withholding shares otherwise issuable in connection with the exercise of the Option. In such event, the Company shall deliver to the Holder the number of shares for which the Option was deemed exercised, less the number of shares required to be withheld for the payment of the total purchase price and required withholding taxes; provided, however, any fractional share shall be settled in cash.

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ARTICLE VI

STOCK APPRECIATION RIGHTS

6.1 **Authority to Grant SAR Awards.** Subject to the terms and provisions of the Plan, the Committee, at any time, and from time to time, may grant SARs under the Plan to eligible persons in such number and upon such terms as the Committee shall determine. Subject to the terms and conditions of the Plan, the Committee shall have complete discretion in determining the number of SARs granted to each Holder and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to such SARs.

6.2 **General Terms.** Subject to the terms and conditions of the Plan, a SAR granted under the Plan shall confer on the recipient a right to receive, upon exercise thereof, an amount equal to the excess of (a) the Fair Market Value of one share of the Stock on the date of exercise over (b) the grant price of the SAR, which shall not be less than one hundred percent (100%) of the Fair Market Value of one share of the Stock on the date of grant of the SAR (except for Substitute Awards).

6.3 **SAR Agreement.** Each Award of SARs granted under the Plan shall be evidenced by an Award Agreement that shall specify (a) the grant price of the SAR, (b) the term of the SAR, (c) the vesting and termination provisions of the SAR and (d) such other provisions as the Committee shall determine that are not inconsistent with the terms and provisions of the Plan. The Committee may impose such additional conditions or restrictions on the exercise of any SAR as it may deem appropriate.

6.4 **Term of SAR.** The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion; provided that no SAR shall be exercisable on or after the tenth anniversary date of its grant. Notwithstanding the foregoing, in the event that on the last business day of the term of a SAR (a) the exercise of the SAR is prohibited by applicable law or (b) shares may not be purchased or sold by certain employees or directors of the Company due to the black-out period of a Company policy or a lock-up agreement undertaken in connection with an issuance of securities by the Company, the term of the SAR shall be extended for a period of 30 days following the end of the legal prohibition, black-out period or lock-up agreement.

6.5 **Exercise of SAR.** A SAR may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes. Notwithstanding the foregoing, an Award Agreement may provide that if on the last day of the term of a SAR the Fair Market Value of one share of Stock exceeds the grant price per share of the SAR, the Holder has not exercised the SAR or the tandem Option (if applicable), and the SAR has not otherwise expired, the SAR shall be deemed to have been exercised by the Holder on such day. In such event, the Company shall make payment to the Holder in accordance with this Section, reduced by the number of shares (or cash) required for withholding taxes; any fractional share shall be settled in cash.

6.6 **Payment of SAR Amount.** Upon the exercise of a SAR, a Holder shall be entitled to receive payment from the Company in an amount determined by multiplying the excess of the Fair Market Value of a share of Stock on the date of exercise over the grant price of the SAR by the number of shares of Stock with respect to which the SAR is exercised. At the discretion of the Committee, the payment upon SAR exercise may be in cash, in Stock of equivalent value, in some 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.

6.7 **Termination of Employment.** Each Award Agreement shall set forth the extent to which the Holder of a SAR shall have the right to exercise the SAR following the Holder's Termination of Employment. Such provisions shall be determined in the sole discretion of the Committee, may be included in the Award Agreement entered into with the Holder, need not be uniform among all SARs issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

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ARTICLE VII

RESTRICTED STOCK AWARDS

7.1 **Restricted Stock Awards.** The Committee may make Awards of Restricted Stock to eligible persons selected by it. The amount of, the vesting and the transferability restrictions applicable to any Restricted Stock Award shall be determined by the Committee in its sole discretion. The Committee may also grant Restricted Stock Awards that are intended to qualify as Performance-Based Compensation, subject to any of the Performance Goals set forth in Section 9.2, in its sole discretion, or may grant Restricted Stock Awards subject to other performance- and/or time-based vesting restrictions. If the Committee imposes vesting or transferability restrictions on a Holder's rights with respect to Restricted Stock, the Committee may issue such instructions to the Company's share transfer agent in connection therewith as it deems appropriate. The Committee may also cause the certificate for shares of Stock issued pursuant to a Restricted Stock Award to be imprinted with any legend which counsel for the Company considers advisable with respect to the restrictions or, should the shares of Stock be represented by book or electronic entry rather than a certificate, the Company may take such steps to restrict transfer of the shares of Stock as counsel for the Company considers necessary or advisable to comply with applicable law.

7.2 **Restricted Stock Award Agreement.** Each Restricted Stock Award shall be evidenced by an Award Agreement that contains any vesting, transferability restrictions and other provisions not inconsistent with the Plan as the Committee may specify.

7.3 **Holder's Rights as Stockholder.** Subject to the terms and conditions of the Plan, each recipient of a Restricted Stock Award shall have all the rights of a stockholder with respect to the shares of Restricted Stock included in the Restricted Stock Award during the Period of Restriction established for the Restricted Stock Award. Except as provided below and unless otherwise provided in an Award Agreement, dividends paid with respect to Restricted Stock in cash or property other than shares of Stock or rights to acquire shares of Stock shall be paid to the recipient of the Restricted Stock Award currently. Dividends paid in shares of Stock or rights to acquire shares of Stock shall be added to and become a part of the Restricted Stock. During the Period of Restriction, certificates representing the Restricted Stock shall be registered in the Holder's name and bear a restrictive legend to the effect that ownership of such Restricted Stock, and the enjoyment of all rights appurtenant thereto, are subject to the restrictions, terms, and conditions provided in the Plan and the applicable Award Agreement. Such certificates shall be deposited by the recipient with the Secretary of the Company or such other officer of the Company as may be designated by the Committee, together with all stock powers or other instruments of assignment, each endorsed in blank, which will permit transfer to the Company of all or any portion of the Restricted Stock which shall be forfeited in accordance with the Plan and the applicable Award Agreement. Notwithstanding the provisions of this Section, cash dividends, stock and any other property (other than cash) distributed as a dividend or otherwise with respect to any Restricted Stock Award that vests based on achievement of performance goals shall either (a) not be paid or credited or (b) be accumulated, shall be subject to restrictions and risk of forfeiture to the same extent as the Restricted Stock with respect to which such cash, stock or other property has been distributed and shall be paid at the time such restrictions and risk of forfeiture lapse.

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ARTICLE VIII

RESTRICTED STOCK UNIT AWARDS

8.1 **Authority to Grant RSU Awards.** Subject to the terms and provisions of the Plan, the Committee, at any time, and from time to time, may grant RSU Awards under the Plan to eligible persons in such amounts and upon such terms as the Committee shall determine. The amount of, the vesting and the transferability restrictions applicable to any RSU Award shall be determined by the Committee in its sole discretion. The Committee shall maintain a bookkeeping ledger account which reflects the number of RSUs credited under the Plan for the benefit of a Holder.

8.2 **RSU Award.** An RSU Award shall be similar in nature to a Restricted Stock Award except that no shares of Stock are actually transferred to the Holder until a later date specified in the applicable Award Agreement. Each RSU shall have a value equal to the Fair Market Value of a share of Stock. A Holder who holds an RSU Award shall only have those rights specifically provided for in the Award Agreement; provided, however, in no event shall the Holder have voting rights with respect to such Award.

8.3 **RSU Award Agreement.** Each RSU Award shall be evidenced by an Award Agreement that contains any Substantial Risk of Forfeiture, transferability restrictions, form and time of payment provisions and other provisions not inconsistent with the Plan as the Committee may specify.

8.4 **Dividend Equivalents.** An Award Agreement for an RSU Award may specify that the Holder shall be entitled to the payment of Dividend Equivalents under the Award. Notwithstanding the provisions of this Section, an Award Agreement may only provide that Dividend Equivalents, cash dividends, stock and any other property (other than cash) distributed as a dividend or otherwise with respect to any Restricted Stock Unit Award that vests based on achievement of performance goals shall either (a) not be paid or credited or (b) be accumulated, shall be subject to restrictions and risk of forfeiture to the same extent as the Restricted Stock Units with respect to which such cash, stock or other property has been distributed and shall be paid at the time such restrictions and risk of forfeiture lapse.

8.5 **Form of Payment Under RSU Award.** Payment under an RSU Award shall be made in either cash or shares of Stock as specified in the applicable Award Agreement.

8.6 **Time of Payment Under RSU Award.** A Holder's payment under an RSU Award shall be made at such time as is specified in the applicable Award Agreement. The Award Agreement shall specify that the payment will be made (a) by a date that is no later than the date that is two and one-half (2 1/2) months after the end of the calendar year in which the RSU Award payment is no longer subject to a Substantial Risk of Forfeiture or (b) at a time that is Permissible under Section 409A.

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ARTICLE IX

PERFORMANCE SHARE AWARDS AND PERFORMANCE UNIT AWARDS

9.1 **Authority to Grant Performance Share Awards and Performance Unit Awards.** Subject to the terms and provisions of the Plan, the Committee, at any time, and from time to time, may grant Performance Share Awards and Performance Unit Awards under the Plan to eligible persons in such amounts and upon such terms as the Committee shall determine. The vesting of any Performance Share Award or Performance Unit Award (or any other Award) that is intended to qualify as Performance-Based Compensation (other than Options and SARs) granted hereunder shall be based upon the attainment of such Performance Goals as the Committee may determine (and Awards not intended to qualify as Performance-Based Compensation may be based on other performance goals as well). If the Committee imposes vesting or transferability restrictions on a Holder's rights with respect to Performance Share or Performance Unit Awards, the Committee may issue such instructions to the Company's share transfer agent in connection therewith as it deems appropriate. The Committee may also cause the certificate for shares of Stock issued pursuant to a Performance Share or Performance Unit Award to be imprinted with any legend which counsel for the Company considers advisable with respect to the restrictions or, should the shares of Stock be represented by book or electronic entry rather than a certificate, the Company may take such steps to restrict transfer of the shares of Stock as counsel for the Company considers necessary or advisable to comply with applicable law.

9.2 **Performance Goals.** A Performance Goal must be objective such that a third party having knowledge of the relevant facts could determine whether the goal is met. The Performance Goals upon which the payment or vesting of an Award to a Covered Employee (or a participant who may be, as of the end of the tax year in which the Company would claim a tax deduction in connection with such Award, a Covered Employee) that is intended to qualify as Performance-Based Compensation shall be limited to one or more of the following Performance Goals, which may be based on one or more business criteria that apply to the Holder, one or more business units, segments, or divisions of the Company, the Company as a whole, or a subsidiary of the Company, with reference to one or more of the following: earnings per share; total stockholder return; cash return on capitalization; increased revenue; revenue ratios (per employee or per customer); net income; stock price; market share; return on equity; return on assets; return on capital; return on capital compared to cost of capital; return on capital employed; return on invested capital; stockholder value; net cash flow; operating income; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; cash flow; cash flow from operations; cost reductions and cost ratios (per employee or per customer); sales; return on assets or net assets; gross profits; gross or net profit margin; gross profit growth; net operating profit (before or after taxes); economic value-added models or equivalent metrics; operating margin; year-end cash; cash margin; debt reduction; operating efficiencies; cost reductions or savings; customer satisfaction; customer growth; employee satisfaction; productivity or productivity ratios; strategic partnerships or transactions; financial ratios, including those measuring liquidity, activity, profitability or leverage; acquisitions and divestitures; or the achievement of specified milestones or the completion of specified projects identified as contributing substantially to the Company's success or value or the attainment of the Company's strategic goals. Goals may also be measured on an absolute or relative basis and may be based on performance relative to a peer group of companies, an index, or comparisons of any of the indicators of performance relative to performance of other companies. Unless otherwise stated, such a Performance Goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). The Committee may provide for exclusion of the impact of an event or occurrence which the Committee determines should appropriately be excluded, including (a) restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring charges; (b) an event either not directly related to the operations of the Company, a Company subsidiary, division, business segment or business unit or not within the reasonable control of management; or (c) the cumulative effects of tax or accounting changes in accordance with U.S. generally accepted accounting principles. In interpreting Plan provisions applicable to Performance Goals and Awards intended to qualify as Performance-Based Compensation, it is intended that the Plan will conform with the standards of Section 162(m) of the Code and Treasury Regulations § 1.162-27(e)(2)(i), and the Committee in establishing such goals and interpreting the Plan shall be guided by such provisions. Prior to the payment of any Award that is intended to qualify as Performance-Based Compensation, the Committee must

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certify in writing that applicable Performance Goals and any of the material terms thereof were, in fact, satisfied. Subject to the foregoing provisions, the terms, conditions and limitations applicable to any Performance Share or Performance Unit Awards made pursuant to the Plan shall be determined by the Committee.

9.3 **Time of Establishment of Performance Goals.** With respect to an Award to a Covered Employee that is intended to qualify as Performance-Based Compensation (other than an Option or SAR), the Performance Goal(s) (and any

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exclusions) must be established by the Committee prior to the earlier to occur of (a) 90 days after the commencement of the period of service to which the Performance Goal relates or (b) the lapse of 25 percent of the period of service, and in any event while the outcome is substantially uncertain.

9.4 **Written Agreement.** Each Performance Share Award or Performance Unit Award shall be evidenced by an Award Agreement that contains any vesting, transferability restrictions and other provisions not inconsistent with the Plan as the Committee may specify.

9.5 **Form of Payment Under Performance Share or Unit Award.** Payment under a Performance Share Award or a Performance Unit Award shall be made in cash and/or shares of Stock as specified in the Holder's Award Agreement.

9.6 **Time of Payment Under Performance Share or Unit Award.** A Holder's payment under a Performance Share Award or Performance Unit Award shall be made at such time as is specified in the applicable Award Agreement. The Award Agreement shall specify that the payment will be made (a) by a date that is no later than the date that is two and one-half (2 1/2) months after the end of the calendar year in which the Award payment is no longer subject to a Substantial Risk of Forfeiture or (b) at a time that is Permissible under Section 409A.

9.7 **Holder's Rights.** A Holder who holds a Performance Share Award or Performance Unit Award shall only have those rights specifically provided for in the Award Agreement; provided, however, in no event shall the Holder have voting rights with respect to such Award. Notwithstanding the provisions of this Section, an Award Agreement may only provide that cash dividends, stock and any other property (other than cash) distributed as a dividend or otherwise with respect to any Performance Share or Performance Unit Award that vests based on achievement of performance goals shall either (a) not be paid or credited or (b) be accumulated, and shall be subject to restrictions and risk of forfeiture to the same extent as the underlying Award with respect to which such cash, stock or other property has been distributed and shall be paid at the time such restrictions and risk of forfeiture lapse.

9.8 **Increases Prohibited.** Notwithstanding any provision of the Plan (other than Section 4.5), with respect to any Award that is intended to qualify as Performance-Based Compensation, the Committee may adjust downwards, but not upwards, the amount payable pursuant to such Award, and the Committee may not waive the achievement of the applicable performance goals except in the case of the death or disability of the Holder or as otherwise determined by the Committee in special circumstances, as permitted under Section 162(m) of the Code.

ARTICLE X

ANNUAL INCENTIVE AWARDS

10.1 **Authority to Grant Annual Incentive Awards.** Subject to the terms and provisions of the Plan, the Committee, at any time, and from time to time, may grant Annual Incentive Awards under the Plan to key executive Employees who, by the nature and scope of their positions, regularly directly make or influence policy decisions which significantly impact the overall results or success of the Company in such amounts and upon such terms as the Committee shall determine. The amount of any Annual Incentive Awards shall be based on the attainment of such Performance Goals as the Committee may determine.

10.2 **Covered Employees.** The Performance Goals upon which the payment or vesting of an Annual Incentive Award to a Covered Employee that is intended to qualify as Performance-Based Compensation must meet the requirements of Sections 9.2, 9.3, and 9.8 as applied to such Annual Incentive Award. Prior to the payment of any compensation to a Covered Employee based on the achievement of Performance Goals, the Committee must certify in writing that applicable Performance Goals and any of the material terms thereof were, in fact, satisfied.

10.3 **Written Agreement.** Each Annual Incentive Award shall be evidenced by an Award Agreement that contains any vesting, transferability restrictions and other provisions not inconsistent with the Plan as the Committee may specify.

10.4 **Form of Payment Under Annual Incentive Award.** Payment under an Annual Incentive Award shall be made in cash and/or shares of Stock as specified in the Holder's Award Agreement.

10.5 **Time of Payment Under Annual Incentive Award.** A Holder's payment under an Annual Incentive Award shall be made at such time as is specified in the applicable Award Agreement. The Award Agreement shall specify that the payment will be made (a) by a date that is no later than the date that is two and one-half (2 1/2) months after the end of the calendar year in which the Annual Incentive Award payment is no longer subject to a Substantial Risk of Forfeiture or (b) at a time that is Permissible under Section 409A.

ARTICLE XI

OTHER STOCK-BASED AWARDS

11.1 **Authority to Grant Other Stock-Based Awards.** The Committee may grant to eligible persons other types of equity-based or equity-related Awards not otherwise described by the terms and provisions of the Plan (including the grant or offer for sale of unrestricted shares of Stock) in such amounts and subject to such terms and conditions, as the Committee shall determine. Such Awards may involve the transfer of actual shares of Stock to Holders, or payment in cash or otherwise of amounts based on the value of shares of Stock 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.

11.2 **Value of Other Stock-Based Award.** Each Other Stock-Based Award shall be expressed in terms of shares of Stock or units based on shares of Stock, as determined by the Committee.

11.3 **Payment of Other Stock-Based Award.** Payment, if any, with respect to an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash or shares of Stock as the Committee determines.

11.4 **Termination of Employment.** The Committee shall determine the extent to which a Holder's rights with respect to Other Stock-Based Awards shall be affected by the Holder's Termination of Employment. Such provisions shall be determined in the sole discretion of the Committee and need not be uniform among all Other Stock-Based Awards issued pursuant to the Plan.

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ARTICLE XII

CASH-BASED AWARDS

12.1 **Authority to Grant 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 under the Plan to eligible persons in such amounts and upon such terms as the Committee shall determine.

12.2 **Value of Cash-Based Award.** Each Cash-Based Award shall specify a payment amount or payment range as determined by the Committee.

12.3 **Payment of Cash-Based Award.** Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award, in cash.

12.4 **Termination of Employment.** The Committee shall determine the extent to which a Holder's rights with respect to Cash-Based Awards shall be affected by the Holder's Termination of Employment. Such provisions shall be determined in the sole discretion of the Committee and need not be uniform among all Cash-Based Awards issued pursuant to the Plan.

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ARTICLE XIII

SUBSTITUTION AWARDS

Awards may be granted under the Plan from time to time in substitution for stock options and other awards held by employees of other entities who are about to become Employees, or whose employer is about to become an Affiliate as the result of a merger or consolidation of the Company with another corporation, or the acquisition by the Company of substantially all the assets of another corporation, or the acquisition by the Company of at least fifty percent (50%) of the issued and outstanding stock of another corporation as the result of which such other corporation will become a subsidiary of the Company. The terms and conditions of the substitute Awards so granted may vary from the terms and conditions set forth in the Plan to such extent as the Board at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the Award in substitution for which they are granted.

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ARTICLE XIV

ADMINISTRATION

14.1 **Awards.** The Plan shall be administered by the Committee or, in the absence of the Committee, the Plan shall be administered by the Board. The members of the Committee shall serve at the discretion of the Board. The Committee shall have full and exclusive power and authority to administer the Plan and to take all actions that the Plan expressly contemplates or are necessary or appropriate in connection with the administration of the Plan with respect to Awards granted under the Plan.

To the extent not inconsistent with applicable law, including Section 162(m), with respect to Awards intended to be Performance-Based Compensation or to comply with the rules and regulations of the principal U.S. national securities exchange on which the shares of Stock are traded, the Committee may (a) delegate to a committee of one or more directors of the Company any of the authority of the Committee under the Plan, including the right to grant, cancel or suspend Awards and (b) authorize one or more executive officers to do one or more of the following with respect to Employees who are not Directors or executive officers of the Company (i) designate Employees to be recipients of Awards; (ii) determine the number of shares subject to such Awards to be received by such Employees; and (iii) cancel or suspend Awards to such Employees; provided that any resolution of the Committee authorizing such officer(s) must specify the total number of shares subject to Awards that such officer(s) may so award and the Committee may not authorize any officer to designate himself or herself as the recipient of an Award.

14.2 **Authority of the Committee.** The Committee shall have full and exclusive power to interpret and apply the terms and provisions of the Plan and Awards made under the Plan, and to adopt such rules, regulations and guidelines for implementing the Plan as the Committee may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan. A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the vote of a majority of those members present at any meeting shall decide any question brought before that meeting. Any decision or determination reduced to writing and signed by a majority of the members shall be as effective as if it had been made by a majority vote at a meeting properly called and held. All questions of interpretation and application of the Plan, or as to Awards granted under the Plan, shall be subject to the determination, which shall be final and binding, of a majority of the whole Committee. No member of the Committee shall be liable for any act or omission of any other member of the Committee or for any act or omission on his own part, including but not limited to the exercise of any power or discretion given to him under the Plan, except those resulting from his own gross negligence or willful misconduct. In carrying out its authority under the Plan, the Committee shall have full and final authority and discretion, including but not limited to the following rights, powers and authorities to (a) determine the persons to whom and the time or times at which Awards will be made; (b) determine the number and exercise price of shares of Stock covered in each Award subject to the terms and provisions of the Plan; (c) determine the terms, provisions and conditions of each Award, which need not be identical and need not match the default terms set forth in the Plan; (d) accelerate the time at which any outstanding Award will vest; (e) prescribe, amend and rescind rules and regulations relating to administration of the Plan; and (f) make all other determinations and take all other actions deemed necessary, appropriate or advisable for the proper administration of the Plan.

The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award to a Holder in the manner and to the extent the Committee deems necessary or desirable to further the Plan's objectives. Further, the Committee shall make all other determinations that may be necessary or advisable for the administration of the Plan. As permitted by law and the terms and provisions of the

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Plan, the Committee may delegate its authority as identified in this Section 14.2. The Committee may employ attorneys, consultants, accountants, agents, and other persons, any of whom may be an Employee, and the Committee, the Company, and its officers and Board shall be entitled to rely upon the advice, opinions, or valuations of any such persons.

14.3 **Decisions Binding.** All determinations and decisions made by the Committee or the Board, as the case may be, pursuant to the provisions of the Plan and all related orders and resolutions of the Committee or the Board, as the case may be, shall be final, conclusive and binding on all persons, including the Company, its stockholders, its Affiliates, Holders and the estates and beneficiaries of Holders.

14.4 **No Liability.** Under no circumstances shall the Company, its Affiliates, the Board or the Committee incur liability for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any

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person, whether or not foreseeable and regardless of the form of the act in which such a claim may be brought, with respect to the Plan or the Company, an Affiliate, the Committee or the Board's roles in connection with the Plan.

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ARTICLE XV

AMENDMENT OR TERMINATION OF PLAN

15.1 **Amendment, Modification, Suspension, and Termination.** The Board may, from time to time, alter, amend, suspend or terminate the Plan as it shall deem advisable, subject to any requirement for stockholder approval imposed by applicable law, including the rules and regulations of the principal U.S. national securities exchange on which the shares of Stock are traded; provided that the Board may not amend the Plan in any manner that would result in noncompliance with Rule 16b-3 under the Exchange Act; and further provided that the Board may not, without the approval of the Company's stockholders to the extent required by such applicable law, amend the Plan to (a) increase the number of shares that may be the subject of Awards under the Plan (except for adjustments pursuant to Section 4.5(b)), (b) expand the types of awards available under the Plan, (c) materially expand the class of persons eligible to participate in the Plan, (d) amend Section 4.15 to eliminate the requirements relating to minimum exercise price, minimum grant price and stockholder approval, (e) increase the maximum permissible term of any Option or SAR, (f) add performance goals to Section 9.2 or (g) increase any of the limitations in Section 4.2(f). The Board may not (except pursuant to Section 4.5(b) or in connection with a Change in Control), without the approval of the Company's stockholders, cancel an Option or SAR in exchange for cash when the exercise or grant price per share exceeds the Fair Market Value of one share or take any action with respect to an Option or SAR that would be treated as a repricing under the rules and regulations of the principal securities exchange on which the shares of Stock are traded, including a reduction of the exercise price of an Option or the grant price of a SAR or the exchange of an Option or SAR for another Award.

15.2 **Awards Previously Granted.** Notwithstanding any other provision of the Plan to the contrary, no termination, amendment, suspension, or modification of the Plan or an Award Agreement shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Holder holding such Award.

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ARTICLE XVI

MISCELLANEOUS

16.1 **Unfunded Plan/No Establishment of a Trust Fund.** Holders shall have no right, title, or interest whatsoever in or to any investments that the Company or any of its Affiliates may make to aid in meeting obligations under the Plan. Nothing contained in the 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 Holder, beneficiary, legal representative, or any other person. To the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder shall be paid from the general funds of the Company 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 the Plan. No property shall be set aside nor shall a trust fund of any kind be established to secure the rights of any Holder under the Plan. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

16.2 **No Employment Obligation.** The granting of any Award shall not constitute an employment contract, express or implied, nor impose upon the Company or any Affiliate any obligation to employ or continue to employ, or utilize the services of, any Holder. The right of the Company or any Affiliate to terminate the employment of any person shall not be diminished or affected by reason of the fact that an Award has been granted to him, and nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or its Affiliates to terminate any Holder's employment at any time or for any reason not prohibited by law.

16.3 **Tax Withholding.** The Company or any Affiliate shall be entitled to deduct from other compensation payable to each Holder any sums required by federal, state, local or foreign tax law to be withheld with respect to the vesting or exercise of an Award or lapse of restrictions on an Award. In the alternative, the Company may require the Holder (or other person validly exercising the Award) to pay such sums for taxes directly to the Company or any Affiliate in cash or by check within one day after the date of vesting, exercise or lapse of restrictions. In the discretion of the Committee, and with the consent of the Holder, the Company may reduce the number of shares of Stock issued to the Holder upon such Holder's exercise of an Option to satisfy the tax withholding obligations of the Company or an Affiliate; provided that the Fair Market Value of the shares of Stock held back shall not exceed the Company's or the Affiliate's Minimum Statutory Tax Withholding Obligation. The Committee may, in its discretion, permit a Holder to satisfy any Minimum Statutory Tax Withholding Obligation arising upon the vesting of an Award by delivering to the Holder a reduced number of shares of Stock in the manner specified herein. If permitted by the Committee and acceptable to the Holder, at the time of vesting of shares under the Award, the Company shall (a) calculate the amount of the Company's or an Affiliate's Minimum Statutory Tax Withholding Obligation on the assumption that all such shares of Stock vested under the Award are made available for delivery; (b) reduce the number of such shares of Stock made available for delivery so that the Fair Market Value of the shares of Stock withheld on the vesting date approximates the Company's or an Affiliate's Minimum Statutory Tax Withholding Obligation; and (c) in lieu of the withheld shares of Stock, remit cash to the United States Treasury and/or other applicable governmental authorities, on behalf of the Holder, in the amount of the Minimum Statutory Tax Withholding Obligation. The Company shall withhold only whole shares of Stock to satisfy its Minimum Statutory Tax Withholding Obligation. Where the Fair Market Value of the withheld shares of Stock does not equal the amount of the Minimum Statutory Tax Withholding Obligation, the Company shall withhold shares of Stock with a Fair Market Value slightly less than the amount of the Minimum Statutory Tax Withholding Obligation and the Holder must satisfy the remaining minimum withholding obligation in some other manner permitted under this Section 16.3. The withheld shares of Stock not made available for delivery by the Company shall be retained as treasury shares or will be cancelled and the Holder's right, title and interest in such shares of Stock shall terminate. The Company shall have no obligation upon vesting or exercise of any Award or lapse of restrictions on an Award until the Company or an Affiliate has received payment sufficient to cover the Minimum Statutory Tax Withholding Obligation with

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respect to that vesting, exercise or lapse of restrictions. Neither the Company nor any Affiliate shall be obligated to advise a Holder of the existence of the tax or the amount which it will be required to withhold.

16.4 **Dividend Equivalents.** Subject to the provisions of the Plan and any Award Agreement, the recipient of an Award other than an Option or SAR may, if so determined by the Committee, be entitled to receive, currently or upon performance and/or time vesting, Dividend Equivalents with respect to the number of shares covered by the Award, as determined by the Committee, in its sole discretion. The Committee may provide that the Dividend Equivalents (if any) shall be deemed to have been reinvested in additional shares or otherwise reinvested and may provide that the Dividend

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Equivalents are subject to the same vesting or performance conditions as the underlying Award. Notwithstanding the foregoing, Dividend Equivalents credited in connection with an Award that vests based on the achievement of performance goals shall be subject to restrictions and risk of forfeiture to the same extent as the Award with respect to which such Dividend Equivalents have been credited.

16.5 **Deferral.** The Committee shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred; *provided* that procedures shall be Permissible under Section 409A.

16.6 **Gender and Number.** If the context requires, words of one gender when used in the Plan shall include the other and words used in the singular or plural shall include the other.

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

16.8 **Headings.** Headings of Articles and Sections are included for convenience of reference only and do not constitute part of the Plan and shall not be used in construing the terms and provisions of the Plan.

16.9 **Other Compensation Plans.** The adoption of the Plan shall not affect any other option, incentive or other compensation or benefit plans in effect for the Company or any Affiliate, nor shall the Plan preclude the Company from establishing any other forms of incentive compensation arrangements for Employees or Directors.

16.10 **Retirement and Welfare Plans.** Neither Awards made under the Plan nor shares of Stock or cash paid pursuant to such Awards, may be included as compensation for purposes of computing the benefits payable to any Holder under the Company's or any Affiliate's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a participant's benefit.

16.11 **Other Awards.** The grant of an Award shall not confer upon the Holder the right to receive any future or other Awards under the Plan, whether or not Awards may be granted to similarly situated Holders, or the right to receive future Awards upon the same terms or conditions as previously granted.

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16.12 **Successors.** All obligations of the Company under the 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.

16.13 **Law Limitations/Governmental Approvals.** The granting of Awards and the issuance of shares of Stock under the 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.

16.14 **Delivery of Title.** The Company shall have no obligation to issue or deliver evidence of title for shares of Stock issued under the Plan prior to obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and completion of any registration or other qualification of the Stock under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable.

16.15 **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 of Stock hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such shares of Stock as to which such requisite authority shall not have been obtained.

16.16 **Investment Representations.** The Committee may require any person receiving Stock pursuant to an Award under the Plan to represent and warrant in writing that the person is acquiring the shares of Stock for investment and without any present intention to sell or distribute such Stock.

16.17 **Persons Residing Outside of the United States.** Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company or any of its Affiliates operates or has

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Employees, the Committee, in its sole discretion, shall have the power and authority to determine which Affiliates shall be covered by the Plan; determine which persons employed outside the United States are eligible to participate in the Plan; amend or vary the terms and provisions of the Plan and the terms and conditions of any Award granted to persons who reside outside the United States; 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 16.17 by the Committee shall be attached to the Plan document as Appendices; and take any action, before or after an Award is made, that it deems advisable to obtain 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 the Exchange Act, the Code, any securities law or governing statute or any other applicable law.

16.18 **Arbitration of Disputes.** Any controversy arising out of or relating to the Plan or an Award Agreement shall be resolved by arbitration conducted pursuant to the arbitration rules of the American Arbitration Association. The arbitration shall be final and binding on the parties.

16.19 **Governing Law.** The provisions of the Plan and the rights of all persons claiming thereunder shall be construed, administered and governed under the laws of the State of Texas. Unless otherwise provided in the Award Agreement, recipients of an Award under the Plan are deemed to submit to the exclusive jurisdiction and venue of the federal or state courts of Texas, to resolve any and all issues that may arise out of or relate to the Plan or any related Award Agreement.

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CERTIFICATE

The undersigned, officer of Quanex Building Products Corporation (the *Company*), certifies that the board of directors of the Company adopted and approved the amendment and restatement of the 2008 Omnibus Incentive Plan on the day of 2013; and the stockholder(s) of the Company adopted and approved such amendment and restatement on the day of February 2014.

WITNESS my hand this day of 2014.

Kevin P. Delaney
Senior Vice President General Counsel and Secretary

