
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q/A
(Amendment No. 1)

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission File Number 1-5725

QUANEX CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

38-1872178
(I.R.S. Employer
Identification No.)

1900 West Loop South, Suite 1500, Houston, Texas 77027
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(713) 961-4600**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 24, 2007
Common Stock, par value \$0.50 per share	37,098,097

QUANEX CORPORATION
INDEX

[SIGNATURES](#)

[Exhibits](#)

[Exhibit 3.5](#)

[Exhibit 10.1](#)

[Exhibit 31.1](#)

[Exhibit 31.2](#)

Explanatory Note

This Amendment No. 1 on Form 10-Q/A is an amendment to the Registrant's Quarterly Report on Form 10-Q for the period ended April 30, 2007 (the "Report") filed with the Securities and Exchange Commission on May 31, 2007. This Form 10-Q/A is being filed for the sole purpose of including Exhibits 3.5 and 10.1. In addition, the Registrant is also including Exhibits 31.1 and 31.2, as required by the filing of this Form 10-Q/A. This Form 10-Q/A does not alter any other part of the content of the Report and does not affect the information originally set forth in the Report, the remaining portions of which have not been amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QUANEX CORPORATION

/s/ Thomas M. Walker

Thomas M. Walker

Senior Vice President — Finance and Chief Financial Officer
(Principal Financial Officer)

Date: June 8, 2007

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
*3.5	Amended and Restated Bylaws of the Registrant, as amended May 31, 2007.
† * 10.1	First Amendment to the Quanex Corporation Employees' Pension Plan, dated May 1, 2007.
* 31.1	Certification by chief executive officer pursuant to Rule 13a-14(a)/15d-14(a).
* 31.2	Certification by chief financial officer pursuant to Rule 13a-14(a)/15d-14(a).
†	Management Compensation or Incentive Plan
*	Filed herewith

AMENDED AND RESTATED (May 31, 2007)

BY-LAWS

of

QUANEX CORPORATION
(a Delaware Corporation)

ARTICLE I

Offices

1.1. Registered Office. The Corporation shall at all times maintain a registered office in the State of Delaware.

1.2 Other Offices. The Corporation may also have offices at such other places within or outside of the State of Delaware as the Board of Directors shall from time to time appoint or the business of the Corporation require.

ARTICLE II

Capital Stock

2.1. Issuance of Stock. The Board of Directors may authorize the issuance of the capital stock of the Corporation at such times, for such consideration, and on such terms and conditions as the Board may deem advisable, subject to any restrictions and provisions of law, the Certificate of Incorporation of the Corporation (as amended and restated from time to time (the "Certificate of Incorporation") or any other provisions of these By-laws.

2.2. Certificates for Shares. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by, the chairman or vice-chairman of the board of directors, or the president or vice-president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. The certificates shall otherwise be in such form as may be determined by the Board of Directors, shall be issued in numerical order, shall be entered in the books of the Corporation as they are issued and shall exhibit the holder's name and number of shares.

2.3 Transfer of Shares. The shares of the capital stock of the Corporation are transferable only on the books of the Corporation upon surrender, in the case of certificated shares, of the certificates therefor properly endorsed for transfer, or otherwise properly assigned, and upon the presentation of such evidences of ownership of the shares and validity of the assignment as the Corporation may require.

2.4 Registered Stockholders. The Corporation shall be entitled to treat the person in whose name any share of stock is registered as the owner thereof for purposes of dividends and other distributions in the course of business or in the course of recapitalization, consolidation, merger, reorganization, liquidation, or otherwise, and for the purpose of votes, approvals and consents by stockholders, and for the purpose of notices to stockholders, and for all other purposes whatsoever, and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not the Corporation shall have notice thereof, save as expressly required by the laws of the State of Delaware.

2.5 Transfer Agent and Registrar. The Board of Directors may appoint one or more transfer agents and registrars, and may require certificates for shares to bear the signature of such transfer agent(s) and registrar(s).

2.6 Replacement Certificates. Upon the presentation to the Corporation of a proper affidavit attesting the loss, destruction or mutilation of any certificate for shares of stock of the Corporation, the Board of Directors may direct the issuance of a new certificate or uncertificated shares in lieu of and to replace the certificate so alleged to be lost, destroyed or mutilated. The Board of Directors may require as a condition precedent to the issuance of a new certificate or uncertificated shares any or all of the following: (a) additional evidence of the loss, destruction or mutilation claimed; (b) advertisement of the loss in such manner as the Board of Directors may direct or approve; (c) a bond or agreement of indemnity, in such form and amount and with such surety (or without surety) as the Board of Directors may direct or approve; and (d) the order of approval of a court.

ARTICLE III

Stockholders and Meetings of Stockholders

3.1 Places of Meetings. All meetings of stockholders shall be held at such place within or outside of the State of Delaware, including by means of remote communication, as shall be fixed by the Board of Directors and stated in the notice of meeting.

3.2 Annual Meeting. The Annual Meeting of Stockholders of the Corporation shall be held on such date and at such time as is fixed by the Board of Directors and stated in the notice of meeting. Directors shall be elected in accordance with the provisions of the Certificate of Incorporation and these By-laws and such other business shall be transacted as may properly come before the meeting.

3.3 Adjournment of Annual Meeting. The Annual Meeting of Stockholders may be adjourned by the presiding officer of the meeting for any reason (including, if the presiding officer determines that it would be in the best interests of the Corporation to extend the period of time for the solicitation of proxies) from time to time and place to place until the presiding officer shall determine that the business to be conducted at the meeting is completed, which determination shall be conclusive.

3.4 Conduct of Business at Annual Meeting. At an Annual Meeting of the Stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an Annual Meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the meeting by a stockholder of the Corporation. 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 Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 60 days nor more than 180 days 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 45 days 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. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such proposal, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder and (d) any material interest of the stockholder in such business. In addition, if the stockholder's ownership of shares of the Corporation, as set forth in the notice, is solely beneficial, documentary evidence of such ownership must accompany the notice. Notwithstanding anything in these By-laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 3.4. The presiding officer of an annual meeting shall, if the facts warrant, determine and declare to the meeting that any business which was not properly brought before the meeting is out of order and shall not be transacted at the meeting.

3.5 Special Meetings. Except as otherwise required by law and subject to the rights of the holders of any claim or series of stock having a preference over the common stock of the Corporation (the "Common Stock") as to dividends or on liquidation, a special meeting of stockholders may be called only by the Chairman of the Board or the President or by the Secretary at the written request of a majority of the directors, provided that, if as of the date of the request for such special meeting there is a Related Holder as defined in Article FOURTEENTH of the Certificate of Incorporation, such majority shall include a majority of the Continuing Directors, as defined in Article FOURTEENTH of the Certificate of Incorporation or by the holders of four-fifths (80%) of the voting power of all of the then outstanding shares of capital stock of the Corporation then entitled to vote generally in the election of directors. The request shall state the purpose or purposes for which the meeting is to be called. The notice of

every special meeting of stockholders shall state the purpose for which it is called. At any special meeting of stockholders, only such business shall be conducted as shall be provided for in the resolution or resolutions calling the special meeting or, where no such resolution or resolutions have been adopted, only such business shall be conducted as shall be provided in the notice to stockholders of the special meeting. Any special meeting of stockholders may be adjourned by the presiding officer of the meeting for any reason (including, if the presiding officer determines that it would be in the best interests of the Corporation to extend the period of time for the solicitation of proxies) from time to time and from place to place until the presiding officer shall determine that the business to be conducted at the meeting is completed, which determination shall be conclusive.

3.6 Notice of Meetings. Written notice of each meeting of stockholders shall be mailed to each stockholder of record at his last address as it appears on the books of the Corporation at least ten days, but no more than 60 days prior to the date of the meeting.

3.7 Record Date. The Board of Directors shall have power to close the stock transfer books of the Corporation for a period not more than sixty nor less than ten days preceding the date of any meeting of stockholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect; provided, however, that in lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date not more than sixty nor less than ten days preceding the date of any meeting of stockholders, or the date for any payment of dividends, or the date for allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to vote at any such meeting or entitled to receive payment of any such dividend or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, and in such cases only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to vote at such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid. This By-law shall in no way affect the rights of a stockholder and his transferee or transferor as between themselves.

3.8 Stockholder List. The officer who has charge of the stock ledger of the Corporation shall make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information received to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

3.9 Quorum. The holders of a majority of the outstanding shares of stock of the Corporation having voting power with respect to a subject matter (excluding shares held by the Corporation for its own account) present or represented by proxy shall constitute a quorum at the meeting of stockholders for the transaction of business with respect to such subject matter; provided, however, that if the subject matter is one as to which a higher vote is required (as contemplated by the Certificate of Incorporation or the laws of the State of Delaware, then the holders of that number of shares equal to at least that higher number of outstanding shares of stock of the Corporation having voting power with respect to such subject matter (excluding shares held by the Corporation for its own account) present or represented by proxy shall constitute a quorum at the meeting of stockholders solely for the transaction of business with respect to such subject matter. In the absence of a quorum with respect to a particular subject, the presiding officer of the meeting shall have power to adjourn the meeting from time to time, without notice other than an announcement at the meeting stating the time, place, if any, thereof, and the means of remote communication if any, until a quorum is present with respect to that subject matter. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At such adjourned meeting, any business may be transacted which might have been transacted at the meeting as originally notified.

3.10 Majority Vote. When a quorum is present or represented at any meeting of stockholders, the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders in all matters, unless the matter is one upon which, by express provision of the corporation laws of the State of Delaware, of the Certificate of Incorporation or of these By-laws, a different vote is required, in which case such express provision shall govern and control the decision of that matter. Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote on the election of directors.

3.11 Proxies. Every stockholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such stockholder (which for purposes of this Section may include a signature and form of proxy pursuant to a facsimile or telegraphic form of proxy or any other instruments acceptable to the Judge of Election), bearing a date not more than three years prior to voting, unless such instrument provides for a longer period, and filed with the Secretary of the Corporation before, or at the time of, the meeting. If such instrument shall designate two or more persons to act as proxies, unless such instrument shall provide to the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of the same portion of the shares as he is of the proxies representing such shares.

3.12 One Vote Per Share. Unless otherwise provided by the Certificate of Incorporation or by the corporation laws of the State of Delaware, each stockholder of the Corporation shall, at every meeting of stockholders, be entitled to one vote in person or by proxy for each share of capital stock of the Corporation registered in his name.

3.13 Shares Held by Certain Holders. Any other corporation owning voting shares in this Corporation may vote the same by its President or by proxy appointed by him, unless some other person shall be appointed to vote such shares by resolution of the Board of Directors of such stockholder corporation. A partnership holding shares of this Corporation may vote such shares by any general partner or by proxy appointed by any general partner. Shares standing in the name of a deceased person may be voted by the executor or administrator of such deceased person, either in person or by proxy. Shares standing in the name of a guardian, conservator or trustee may be voted by such fiduciary, either in person or by proxy, but no such fiduciary shall be entitled to vote shares held in such fiduciary capacity without a transfer of such shares into the name of such fiduciary. Shares standing in the name of a receiver may be voted by such receiver. A stockholder whose shares are pledged shall be entitled to vote such shares, unless in the transfer by the pledgor on the books of the Corporation, he has expressly empowered the pledgee to vote thereon, in which case only the pledgee, or his proxy, may represent the stock and vote thereon.

3.14 Conduct of Business. The order of business and all other matters of procedure at every meeting of the stockholders may be determined by the presiding officer of the meeting, who shall be the Chairman of the Board of Directors, the President or such other officer of the Corporation as designated by the Board. The presiding officer of the meeting shall have all the powers and authority vested in a presiding officer by law or practice without restriction, including, without limitation, the authority, in order to conduct an orderly meeting, to impose reasonable limits on the amount of time at the meeting taken up in remarks by any one stockholder and to declare any business not properly brought before the meeting to be out of order.

3.15 Judge of Election. The Board shall appoint one or more Judges of Election to serve at every meeting of the stockholders.

ARTICLE IV

Directors and Meetings of Directors

4.1 General Powers. The business and affairs of the Corporation shall be managed by a Board of Directors (herein the "Board of Directors" or the "Board") who may exercise all the powers of the Corporation not reserved to or conferred on the stockholders by statute, the Certificate of Incorporation or the By-laws of the Corporation.

4.2 Number of Directors. Except as otherwise fixed pursuant to the provisions of the Certificate of Incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of directors shall be as fixed from time to time by resolution of the Board, provided the number shall be not less than three. The directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, shall be divided into three classes as nearly equal in number as possible, with the term of office of one class expiring each year. The term of office of each director shall expire at the third Annual Meeting after election of the class to which he belongs. During the intervals between Annual Meetings of Stockholders, any vacancy occurring in the Board of Directors caused by resignation, removal, death or other incapacity, and any newly-created directorships resulting from an increase in the

number of directors, shall be filled by a majority vote of the directors then in office, whether or not a quorum. Each director chosen to fill a vacancy shall hold office for the unexpired term in respect of which such vacancy occurs. Each director chosen to fill a newly-created directorship shall hold office until the next election of the class for which such director shall have been chosen. Directors are not required to be residents of Delaware or stockholders of the Corporation.

4.3 Maximum Age of Directors. No person may be elected or re-elected a director of the Corporation if at the time of his election or reelection he shall have attained the age of 70 years, provided however, that a director who shall attain the age of 70 years while serving as a director shall continue in office until the expiration of the term for which he was elected and, provided further that with respect to any person who was a director on November 1, 1996, the reference to "70 years" shall be changed to "72 years."

4.4 Nomination. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, nominations for the election of directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an Annual Meeting of Stockholders, not later than 90 days nor more than 180 days prior to the anniversary date of the date of the immediately preceding annual meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the tenth day following the date on which a written statement setting forth the date of such meeting is first mailed to stockholders provided that such statement is mailed no earlier than 120 days prior to the date of such meeting. Notwithstanding the foregoing if an existing director is not standing for reelection to a directorship which is the subject of an election at such meeting or if a vacancy exists as to a directorship which is the subject an election, whether as a result of resignation, death, an increase in the number of directors, or otherwise, then a stockholder may make a nomination with respect to such directorship at anytime not later than the close of business on the tenth day following the date on which a written statement setting forth the fact that such directorship is to be elected and the name of the nominee proposed by the Board of Directors is first mailed to stockholders. Each notice of a nomination from a stockholder shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations); and (e) the consent of each nominee to serve as a director of the Corporation if so elected. The presiding officer of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

4.5 Removal. Any director may be removed from office as a director at any time, but only for cause, by the affirmative vote of stockholders of record holding a majority of the outstanding shares of stock of the Corporation entitled to vote in elections of directors at a meeting of the stockholders called for that purpose.

4.6 Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and at such place or places as the directors shall, from time to time, determine at a prior meeting. Special meetings of the Board may be called by the Chairman of the Board or President of the Corporation and shall be called by either of said officers upon the written request of any two directors. Special meetings shall be held at the office of the Corporation or at such place as is stated in the notice of the meeting. No notice shall be required for regular meetings of the Board. Notices of special meetings shall be given by mail at least five days before the meeting or by telephone, telecopy or telegram at least 24 hours before the meeting. Notices may be waived. Notices need not include any statement of the purpose of the meeting.

4.7 Unanimous Action; Telephonic and Other Participation. When all of the directors shall be present at any meeting, however called or notified, they may act upon any business that might lawfully be transacted at regular meetings of the Board, or at special meetings duly called, and action taken at such meetings shall be as valid and binding as if legally called and notified. Members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment to the full extent and with the same effect as authorized and permitted by the laws of the State of Delaware.

4.8 Quorum. One-third of the total number of the members of the Board of Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at any meeting at which there is a quorum present shall be the acts of the Board; provided, however, that the directors may act in such other manner, with or without a meeting, as may be permitted by the laws of the State of Delaware and provided further, that if all of the directors shall consent in writing to any action taken by the Corporation, such action shall be as valid as though it had been authorized at a meeting of the Board.

4.9 Compensation. Directors shall receive such compensation and such fees for attendance at meetings of the Board or of committees thereof and such other compensation as shall be fixed by a majority of the entire Board.

ARTICLE V

Committees of Directors

5.1 Designation. The Board of Directors may designate from among its members an executive committee and/or one or more other committees, each consisting of one or more directors. The designation of a committee, and the delegation of authority to it, shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. No member of any committee shall continue to be a member thereof after ceasing to be a director of the Corporation. The Board of Directors shall have the power at any time to increase or decrease the number of members of any committee, to fill vacancies thereon, to change any member thereof and to change the functions or terminate the existence thereof.

5.2 Powers. Any such committee, to the extent provided by resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation; adopting an agreement of merger or consolidation; recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets; recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution; or amending the By-laws of the Corporation; and, unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger with respect to the merger into the Corporation of a subsidiary of which at least 90 percent of the outstanding shares of each class are owned by the Corporation.

5.3 Procedures; Meetings; Quorum.

(a) The Board of Directors shall appoint a chairman from among the members of the committee and shall appoint a secretary who may, but need not, be a member of the committee. The chairman shall preside at all committee meetings and the secretary of the committee shall keep a record of its acts and proceedings.

(b) Regular meetings of a committee, of which no notice shall be necessary, shall be held on such days and at such places as shall be fixed by resolution adopted by the committee. Special meetings of a committee shall be called at the request of the Chief Executive Officer or of any member of the committee, and shall be held upon such notice as is required by these By-laws for special meetings of the Board of Directors, provided that notice by word of mouth or telephone shall be sufficient if received in the city where the meeting is to be held not later than the day immediately preceding the day of the meeting. A waiver of notice of a meeting, signed by the person or persons entitled to such notice, whether before or after the event stated therein, shall be deemed equivalent to the giving of such notice.

(c) Attendance of any member of a committee at a meeting shall constitute a waiver of notice of the meeting. A majority of a committee, from time to time, shall be necessary to constitute a quorum for the transaction of any business, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee. Members of a committee may hold a meeting of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at the meeting.

(d) Any action which may be taken at a meeting of a committee may be taken without a meeting if a consent in writing, setting forth the actions so taken shall be signed by all members of the committee entitled to vote with respect to the subject matter thereof. The consent shall have the same effect as a unanimous vote of the committee.

(e) The Board of Directors may vote to the members of any committee a reasonable fee as compensation for attendance at meetings of the committee.

ARTICLE 6

Officers

6.1 Number. The Board of Directors shall elect a Chief Executive Officer, a President, who may also be the Chief Executive Officer, and a Secretary, and may elect a Chairman, a Treasurer, one or more vice presidents, including an Executive Vice President and a Vice President-Finance, a Controller, a Controller-Operations, and one or more assistant secretaries and assistant treasurers. The Chief Executive Officer of the Corporation and the Chairman shall be directors of the Corporation; other officers need not be directors. Any two of the above offices, except those of President and Vice President, may be held by the same person but no officers shall execute, acknowledge or verify any instrument in more than one capacity.

6.2 Election and Term of Office. Officers of the Corporation shall hold office until their death or resignation or until their successors are duly chosen and qualified. Any officer, agent or employee may be removed at any time, with or without cause, by the Board but such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights. Vacancy occurring in any office or position at any time may be filled by the Board. All officers, agents and employees of the Corporation shall respectively have such authority and perform such duties in the conduct and management of the Corporation as may be delegated by the Board of Directors or by these By-laws.

6.3 Compensation. Officers shall receive such compensation as may from time to time be determined by the Board of Directors, and no officer shall be prevented from receiving such compensation by reason of such officer also being a director. Agents and employees shall receive such compensation as may from time to time be determined by the President of the Corporation or, if the Board of Directors has elected a Chairman of the Board and has designated such Chairman of the Board to be the Chief Executive Officer of the Corporation, by the Chairman of the Board.

6.4 Chairman of the Board. The Chairman of the Board shall preside at all meetings of the stockholders and at all meetings of the directors. In the absence of the Chairman of the Board, the Chairman of the Nominating and Corporate Governance Committee shall so preside.

6.5 Chief Executive Officer and President. The Board of Directors shall designate either the Chairman of the Board or the President as the Chief Executive Officer of the Corporation. The Chief Executive Officer of the Corporation shall supervise and direct the operations of the business in accordance with the policies determined by the Board of Directors. If the President is not designated the Chief Executive Officer, the President shall be the Chief Operating Officer of the Corporation and shall be responsible for the general supervision and control of the business and the affairs of the Corporation subject to the directions of the Chairman of the Board and the Board of Directors. The Chief Operating Officer, in the absence or incapacity of the Chief Executive Officer, shall perform the duties of that office.

6.6 Vice President. The Vice President, in the absence or incapacity of the President, shall perform the duties of the President. If there be an executive vice president, he shall perform the duties of the President in the event of his absence or incapacity. If there be more than one vice president, and no executive vice president, the Board of Directors may designate the Vice President who is to perform the duties of the President in the event of his absence or incapacity. Each Vice President shall have such other duties and authority as shall be assigned by the President or may be delegated by the Board of Directors. The Vice President-Finance shall be responsible for and direct the Treasurer, Controller, and Director of Data Processing of the Corporation in all treasury, accounting, cost and budgeting, and data collection functions. He will report directly to the President with a report and policy relationship to the Chairman of the Board and the Board of Directors.

6.7 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and shall record all votes and minutes from all proceedings in a book to be kept for that purpose. He shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same to any instrument requiring it, and when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary; provided, however, that the affixing of the seal of the Corporation to any document or instrument specifically shall not be required in order for such document or instrument to be binding on or the official act of the Corporation, and the signature of any authorized officer, without the seal of the Corporation, shall be sufficient for such purposes. The Secretary shall perform such other duties and have such other authorities as are delegated to him by the Board of Directors.

6.8 Treasurer. The Treasurer shall be responsible for the care and custody of all funds and other financial assets, taxes, corporate debt, order entry and sales invoicing including credit memos, credit and collection of accounts receivable, cash receipts, and the banking and insurance functions of the Corporation. He shall report directly to and perform such other duties as shall be assigned by the Vice President-Finance.

6.9 Controller. The Controller shall be responsible for the installation and supervision of all general accounting records of the Corporation, preparation of financial statements and the annual and operating budgets and profit plans, continuous audit of accounts and records of the Corporation, preparation and interpretation of statistical records and reports, taking and costing of all physical inventories and administering the inventory levels, supervision of accounts payable and cash disbursements function and hourly and salary payrolls. He shall report directly to and perform such other functions as shall be assigned him by the Vice President-Finance.

ARTICLE VII

Notice

7.1 Methods of Giving Notice. Whenever, under the provisions of applicable statutes, the Certificate of Incorporation or these By-laws, notice is required to be given to any director, member of any committee or stockholder, such notice may be given in writing and delivered personally or mailed to such director, member or stockholder; provided that in the case of a director or a member of any committee such notice may be given orally or by telephone. If mailed, notice to a director, member of a committee or stockholder shall be deemed to be given when deposited in the United States mail first class in a sealed envelope, with postage thereon prepaid, addressed, in the case of a stockholder, to the stockholder at the stockholder's address as it appears on the records of the Corporation or, in the case of a director or member of a committee, to such a persons at his business address. Notice to directors and stockholders may also be given by facsimile telecommunication. Notice may also be given to any director, member of any committee or stockholder by a form of electronic transmission as that term is defined in Section 232 of the Delaware General Corporation Law.

7.2 Written Waiver. Whenever any notice is required to be given under the provisions of an applicable statute, the Certificate of Incorporation or these By-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person or persons entitled to such notice, in each case either before or after the time stated therein, shall be deemed equivalent to the required notice.

ARTICLE VIII

Banking, Checks and Other Instruments

8.1 Banks. The Board of Directors shall by resolution designate the bank or banks in which the funds of the Corporation shall be deposited, and such funds shall be deposited in the name of the Corporation and shall be subject to checks drawn as authorized by resolution of the Board of Directors.

8.2 Contracts and Other Instruments. The Board of Directors may in any instance designate the officers and agents who shall have authority to execute any contract, conveyance, or other instrument on behalf of the Corporation; or may ratify or confirm any execution. When the execution of any instrument has been authorized without specification of the executing officer or agents, the Chairman of the Board, if designated as the Chief Executive Officer of the Corporation, President or any Vice President, and the Secretary or Assistant Secretary or Treasurer or Assistant Treasurer may execute the same in the name and on behalf of the Corporation and may affix the corporate seal thereto.

ARTICLE IX

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of November and end on the thirty-first day of October.

ARTICLE X

Books and Records

The proper officers and agents of the Corporation shall keep and maintain such books, records and accounts of the Corporation's business and affairs and such stock ledgers and lists of stockholders as the Board of Directors shall deem advisable and as shall be required by the laws of the State of Delaware or other states or jurisdictions empowered to impose such requirements.

ARTICLE XI

Indemnification

11.1 Indemnification and Advancement of Expenses. Each director or officer of the Corporation or a subsidiary of the Corporation who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or a subsidiary of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the laws of the State of Delaware (but, in the case of any amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expenses, (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the laws of the State of Delaware require, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under the applicable provisions of the laws of the State of Delaware. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation or a subsidiary of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

11.2 Non-Exclusivity. The indemnification and advancement of expenses provided in Section 11.1 of these By-laws shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement, vote of stockholders, vote of disinterested directors, insurance arrangement or otherwise, both as to action in his or her official capacity and as to action in another capacity.

ARTICLE XII

Other Matters

12.1 Severability. Any determination that any provision of these By-laws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these By-laws.

12.2 Evidence of Authority. A certificate by the Secretary or an Assistant Secretary as to any action taken by the stockholders, directors, any committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

ARTICLE XIII

Amendments

These By-laws may be altered, amended or repealed and new by-laws may be adopted at any regular meeting of the stockholders or Board of Directors; or at any special meeting of the stockholders or Board of Directors; provided that notice of such proposed making, alteration or repeal be included in the notice of such special meeting. The Board of Directors may take such action by the vote of a majority of those Directors present and voting at a meeting where a quorum is present, provided that if there is a Related Holder as defined in Article FOURTEENTH of the Certificate of Incorporation, such majority shall include a majority of the Continuing Directors, as defined in Article FOURTEENTH of the Certificate of Incorporation. In accordance with the provisions of the Certificate of Incorporation, the stockholders may make new by-laws, or adopt, alter, amend, or repeal by-laws adopted by either the stockholders or the Board of Directors by the affirmative vote of the holders of not less than four-fifths of the voting power of all of the then outstanding shares of capital stock of the Corporation then entitled to vote generally for the election of directors. The power of the stockholders and the Board shall include the fixing and appointing of the number of directors in accordance with the provisions of the Certificate of Incorporation.

**FIRST AMENDMENT TO THE
QUANEX CORPORATION EMPLOYEES' PENSION PLAN**

THIS AGREEMENT by Quanex Corporation (the "Sponsor") effective as of the 1st day of January 2007 or as otherwise set forth in the specific provision,

WITNESSETH:

WHEREAS, the Sponsor maintains the Quanex Corporation Employees' Pension Plan (the "Plan");

WHEREAS, the Sponsor reserved the right in Section 10.01 to amend the Plan; and

WHEREAS, the Sponsor has determined to amend the Plan;

NOW, THEREFORE, the Plan is hereby amended as set forth below:

1. Effective January 1, 2007, Section 1.22 of the Plan is completely amended and restated to provide as follows:

1.22 "**Eligible Employee**" means an Employee who (a) is classified by the Sponsor as (1) working at the Sponsor's Corporate Office in Houston, Texas; (2) working at or for the Sponsor's MACSTEEL group office in Jackson, Michigan and compensated on a salaried basis; (3) working at or for the Sponsor's MACSTEEL operating unit in Jackson, Michigan and compensated on a salaried basis; (4) working at or for the Sponsor's MACSTEEL operating unit in Fort Smith, Arkansas and compensated on a salaried basis; (5) working at or for the Sponsor's MACSTEEL Heat Treating operating unit in Huntington, Indiana and compensated on a salaried or hourly basis; (6) working at or for the Sponsor's Nichols Aluminum Casting division and compensated on a salaried basis; (7) working at or for the Sponsor's Homeshield-Chatsworth division and compensated on a salaried or hourly basis; (8) working at or for the Sponsor's Homeshield-Rice Lake division and compensated on a salaried or hourly basis; (9) working at or for the Sponsor's Homeshield-The Dalles division and compensated on a salaried or hourly basis; (10) working at or for the Sponsor's Nichols Aluminum Lincolnshire division and compensated on a salaried basis; (11) working at its Homeshield-Dubuque division and compensated on a salaried or hourly basis; (12) working at or for the Sponsor's Nichols Aluminum General Office and compensated on a salaried basis; (13) working at or for the Sponsor's Nichols Aluminum Davenport division and compensated on a salaried basis; or (14) working at or for the Sponsor's MACSTEEL NitroSteel division and compensated on a salaried or hourly basis; or (b) is an Employee of MACSTEEL Monroe, Inc. and compensated on a salaried basis; (c) is an Employee of Nichols Aluminum-Alabama, Inc. and compensated on a salaried basis; (d) is an Employee of Colonial Craft, Inc. working at or for its Homeshield-Mounds View

or Homeshield-Luck divisions and compensated on a salaried or hourly basis; (e) is an Employee of Imperial Products, Inc. working at its Homeshield-Richmond divisions and compensated on a salaried or hourly basis; (f) is an Employee of Mikron Industries, Inc. and compensated on a salaried or hourly basis; (g) is an Employee of Mikron Washington LLC and compensated on a salaried or hourly basis; (h) is an Employee of Besten Equipment, Inc. and compensated on a salaried or hourly basis; (i) is an Employee of TruSeal Technologies, Inc. and compensated on a salaried basis or (j) effective February 1, 2007, is an Employee of MacSteel Atmosphere Annealing, Inc. and compensated on a salaried or hourly basis.

2. Effective January 1, 2007, Sections 1.30, 1.31, 1.32, 1.33, 1.34, 1.35, 1.36, 1.37, 1.38, 1.39, 1.40, 1.41, 1.42, 1.43, 1.44, 1.45, 1.46, 1.47, 1.48, 1.49, 1.50, 1.51, 1.52, 1.53, 1.54, 1.55, 1.56, 1.57, 1.58, 1.59, 1.60, 1.61, 1.62, 1.63, 1.64, 1.65, 1.66, 1.67, 1.68 and 1.69 are hereby renumbered as 1.31, 1.32, 1.33, 1.34, 1.35, 1.36, 1.37, 1.38, 1.39, 1.40, 1.41, 1.42, 1.43, 1.44, 1.45, 1.46, 1.47, 1.48, 1.49, 1.50, 1.51, 1.52, 1.53, 1.54, 1.55, 1.56, 1.57, 1.58, 1.59, 1.60, 1.61, 1.62, 1.63, 1.64, 1.65, 1.66, 1.67, 1.68, 1.69 and 1.70, respectively.

3. Effective January 1, 2007, a new Section 1.30 is hereby added to the Plan to provide as follows.

1.30 “**Grandfathered Cash Balance Member**” means a Cash Balance Member who for January 1, 2007, was classified by the Sponsor as: (1) working at or for the Sponsor’s Nichols Aluminum Casting division and compensated on a salaried basis; (2) working at or for the Sponsor’s Homeshield-Chatsworth division and compensated on a salaried or hourly basis; (3) working at or for the Sponsor’s Homeshield-Rice Lake division and compensated on a salaried or hourly basis; (4) working at or for the Sponsor’s Homeshield-The Dalles division and compensated on a salaried or hourly basis; (5) working at its Homeshield-Dubuque division and compensated on a salaried or hourly basis; (6) working at or for the Sponsor’s Nichols Aluminum Lincolnshire division and compensated on a salaried basis; (7) working at or for the Sponsor’s Nichols Aluminum General Office and compensated on a salaried basis; (8) working at or for the Sponsor’s Nichols Aluminum Davenport division and compensated on a salaried basis; (9) an Employee of Nichols Aluminum-Alabama, Inc. compensated on a salaried basis; (10) an Employee of Colonial Craft, Inc. working at or for its Homeshield-Mounds View or Homeshield-Luck divisions and is compensated on a salaried or hourly basis; and (11) an Employee of Imperial Products, Inc. working at or for its Homeshield-Richmond division compensated on a salaried or hourly basis.

4. Effective January 1, 2007, Section 1.41 of the Plan, as renumbered herein, is completely amended and restated to provide as follows:

1.41 “**Notional Employer Contribution**” means the percentage of a Member’s Compensation accrued for a Plan Year, or portion thereof, in a Member’s Account as provided under Section 3.02. Effective as of January 1,

2007, such percentage shall equal 4% of the Member's Compensation for a Plan Year; provided, however, that such percentage for the Grandfathered Cash Balance Members described in the chart below shall equal the percentage corresponding to such Member as reflected in the chart below:

For a Grandfathered Cash Balance Member who was working at or for the following on January 1, 2007	For such Members who are salaried Employees	For such members who are hourly compensated Employees
Homesield — Mounds View	5%	5.5%
Homesield — Luck	5%	5.5%
Homesield — Chatsworth	5%	6.5%
Homesield — Rice Lake	5%	6.5%
Homesield — The Dalles	5%	6.5%
Homesield — Dubuque	5%	6.5%
Nichols Aluminum — Davenport & General Office	5%	N/A
Nichols Aluminum — Casting	5%	N/A
Nichols Aluminum — Lincolnshire	5%	N/A
Nichols Aluminum — Alabama	5%	N/A

If a Grandfathered Cash Balance Member is transferred from the division or subsidiary at which or for which such Member was working on January 1, 2007, the Notional Employer Contribution for such Member shall continue to be based on the percentage that is provided to Grandfathered Cash Balance Members who were working at or for such division or subsidiary on January 1, 2007, until such Member Separates From Service and incurs a Period of Severance of at least one year. If an Employee who is a Grandfathered Cash Balance Member Separates From Service, incurs a Period of Severance of at least one year, is reemployed by an adopting Employer of the Plan, and is eligible to recommence participation in the Plan, such Employee shall be a Cash Balance Member but will no longer be a Grandfathered Cash Balance Member.

5. Effective as of May 1, 2007, each reference to "Option D" in Sections 5.01(a)(2) and 5.01(b)(2) shall be changed to a reference to "Option E".

6. Effective as of May 1, 2007, Section 6.07 of the Plan is hereby amended and restated to provide as follows:

6.07 Optional Forms Of Distribution. Subject to the provisions of Sections 6.03 and 6.05, a Member may elect another pension which is the Actuarial Equivalent of his Accrued Benefit, limited however, to one of the following options:

(a) *Option A.* A pension under which the Member shall receive equal monthly payments for his life with no minimum number of payments guaranteed. (This is the normal form of payment of benefits under the Plan.)

(b) *Option B.* A last survivor pension under which the Member shall receive 85 percent of the monthly pension benefit otherwise payable under Option A, and upon the death of the Member, the Beneficiary shall receive $\frac{1}{2}$ of the monthly pension benefit paid to the Member prior to his death; provided however, that if the Beneficiary is younger than the Member, the 85 percent factor shall be reduced by one percent for each full year's difference in the age of the Member and the Beneficiary, and if the Beneficiary is older than the Member, the 85 percent factor shall be increased by one percent for each full year's difference in the age of the Member and the Beneficiary (up to a maximum of 100 percent).

(c) *Option C.* A last survivor pension under which the Member shall receive a monthly pension reduced from the monthly pension benefit otherwise payable under Option A, and upon the death of the Member, the Beneficiary shall receive a monthly pension benefit equal to that paid to the Member.

(d) *Option D.* A last survivor pension under which the Member shall receive a monthly pension reduced from the monthly pension benefit otherwise payable under Option A, and upon the death of the Member, the Beneficiary shall receive a monthly pension benefit equal to 75 percent of that paid to the Member.

(e) *Option E.* A reduced monthly pension payable to the Member during his lifetime, provided that, if the Member dies prior to his receipt of an amount equal to 120 monthly payments, the then Present Value of the remainder of such 120 monthly payments shall be payable to his Beneficiary in a lump sum. If a Member first became eligible to participate in the Plan on or after November 3, 2005, his reduced monthly pension shall be the Actuarial Equivalent of his Accrued Benefit. If a Member was already a participant prior to November 3, 2005, his reduced monthly pension shall be the greater of (A) the Actuarial Equivalent of his Accrued Benefit or (B) an amount determined under the terms of the Plan applicable to Option D immediately prior to November 3, 2005. If the Member dies prior to his receipt of all of such 120 payments without having designated a Beneficiary, or if the Beneficiary predeceases the Member, the then Present Value of any remaining payments shall be paid in a lump sum to the Member's estate. If the Beneficiary dies after the Member and before all of such 120 monthly payments have been made, the then Present Value of the unpaid balance of such payments shall be paid in a lump sum to the Beneficiary's estate.

(f) *Option F.* In the case of an Hourly Pension Plan Participant, a lump sum payment if the requirements of Section 6.08 are satisfied.

(g) *Option F.* In the case of a Cash Balance Member, a lump sum payment.

Options B, C, D and E will not be available to any Member if the reduced pension is less than \$10.00 per month.

If the monthly pension benefit payable to a Member, his Spouse or his Beneficiary would be less than \$10.00 per month, quarterly payments equal in amount to three times the monthly benefit otherwise payable will be made in lieu of monthly payments, commencing on the date payments would otherwise commence to the payee.

Options B, C, D, E and F are not available to Hourly Pension Plan Participants.

Except otherwise as provided elsewhere in the Plan, any election shall be automatically revoked if either the Member or Beneficiary should die before the Member's Annuity Starting Date.

If there is more than a 15-year age difference between the Member and his Beneficiary, then the amount payable pursuant to either Option B or Option C will be determined on an Actuarial Equivalent Basis.

In cases where the Beneficiary is a person other than the Member's Spouse, the Beneficiary under either Option B, C or D must be of such age and sex that the amount payable to the Member will exceed 50 percent of the amount that would otherwise be payable if such Member had elected the normal form of benefit.

No pension can exceed the life of the Member or the life of the Member and his designated Beneficiary, or in the case of a period certain, the life expectancy of the Member or the life expectancy of the Member and his designated Beneficiary.

An election of an option available under this Section may be made, rescinded, or changed by a Member at any time prior to his Annuity Starting Date. An election of an option or a change or rescission of one must be made by executing and properly filing the form or forms approved by the Committee. Proof of age and other information may be required by the Committee.

No pension payable under the Plan shall exceed the life of the Member or the life of him and his Beneficiary, or in the case of a period certain, the life expectancy of the Member or the life expectancy of him and his Beneficiary.

If the Member's Spouse dies before the Member's Annuity Starting Date and an election or a failure to make an election under Section 6.05 would have caused such Member to receive a pension based upon his and his Spouse's joint life expectancy, then the joint and survivor form of pension shall become inapplicable and, instead, the Member shall become entitled to the normal form of monthly pension. If the Member or his Spouse dies on or after his Annuity Starting Date, and he and his Spouse were to receive a joint and survivor annuity, such annuity shall continue in accordance with its terms and the amount of the pension shall not be increased thereby.

7. Effective as of the first day of the month following the adoption of this Amendment, Section 6.10 of the Plan is completely amended and restated to provide as follows:

6.10 Direct Rollover Option. To the extent required under Regulations, a Distributee has the right to direct that any portion of his Eligible Rollover Distribution will be directly paid in a Direct Rollover to an Eligible Retirement Plan specified by him that will accept the Eligible Rollover Distribution. Effective January 1, 2007, pursuant to Code section 402(c)(11), a designated beneficiary (as defined in Code section 401(a)(9)(E)) who is not the surviving Spouse of the Member may direct the Plan to make a direct trustee-to-trustee transfer of all or any portion of the deceased Member's Account to an individual retirement plan described in Code section 402(c)(8)(B)(i) or 402(c)(8)(B)(ii) established for purposes of receiving the distribution on behalf of such individual, provided that such distribution satisfies all of the requirements to be an eligible rollover distribution (as described under the Code and the regulations and guidance issued thereunder) other than the requirement that the distribution be made to the Member's or former Member's Spouse. To the extent inconsistent with the terms and provisions of the Plan and this Section 6.10, the requirements of Code section 402(c)(11) and the regulations and guidance issued thereunder shall govern such rollovers by nonspouse Beneficiaries.

8. Effective 180 days following the adoption of this Amendment, Section 6.11 of the Plan is completely amended and restated to provide as follows:

6.11 Time of Payment of Distribution.

(a) *Members Other than Cash Balance Members.* Subject to Sections 6.03, 6.06 and 6.12, the benefit of a Member other than a Cash Balance Member shall be paid or commence to be paid by the first day of the third month coincident with or next following the later of (1) the date of his Separation From Service, or (2) the date on which he attains age 55; *provided, however*, that such Member may elect to have his Plan benefit paid or commence to be paid as of either (a) the first day of any subsequent month, or (b) the first day of the first or second month following the later of (i) the date of his Separation from Service, or (ii) the date on which he attains age 55.

(b) *Cash Balance Members.* Subject to Sections 6.03, 6.06 and 6.12, a Cash Balance Member's Plan benefit may be paid or commence to be paid on the first day of the third month coincident with or next following the date of his Separation From Service; *provided, however*, that such Member may elect to have his Plan benefit paid or commence to be paid as of either (a) the first day of any subsequent month or (b) the first day of the first or second month following the date of his Separation from Service.

(c) Notwithstanding the foregoing provisions of this Section 6.11, in no event shall a Member's Plan benefit be paid or commence to be paid later than the first day of the third month following the later of the month in which (1) the Member attains Normal Retirement Age, or (2) the Member's final Separation from Service.

9. Effective 180 days following the adoption of this Amendment, Section 6.14 of the Plan is completely amended and restated to provide as follows:

6.14 Information Provided To Members. Information regarding the form of benefits available under the Plan shall be provided to Members in accordance with the following provisions:

(a) *QJSA Notice and Notice of Right to Defer Receipt of Distribution.* Except as otherwise provided in paragraph (c), the Sponsor shall provide a Member a written notice explaining the terms and conditions of each retirement option, and in particular (1) the automatic QJSA or life annuity, (2) the Member's right to make, and the effect of, a waiver of the automatic QJSA, (3) the right of the Member's Spouse to consent or not to consent to such a waiver, (4) the right to make, and the effect of, a revocation of a previous waiver or election, (5) the eligibility conditions and other material features of the optional forms of benefit, and, if applicable (6) the Member's right to defer receipt of the Member's distribution. The notice shall also either contain (1) a description, that is specific to the Member, of the financial effect of the Member selecting an optional form of benefit or (2) a general description of the financial effect of the election that complies with the requirements of Department of Treasury Regulations issued under section 417 of the Code. If a general description of the financial effect of the election is included in the notice, the notice must also be accompanied by a statement that includes an offer to provide, upon the Member's request, a statement of financial effect and a description of how the Member may obtain this additional information. The notice shall also either contain (1) a description, that is specific to the Member, of the relative values of the optional forms of benefit compared to the value of the QJSA or (2) a general description of the relative values that complies with the requirements of Department of Treasury Regulations issued under section 417 of the Code. If a general description of the relative values is included in the notice, the notice must also be accompanied by a statement that includes an offer to provide, upon the Member's request, a comparison of relative values that is specific to the Member for any presently available optional form of benefit and a description of how the Member may obtain this additional information. The notice requirements set forth in this paragraph (a) are collectively referred to as the "QJSA Notice.

(b) *Time for Giving QJSA Notice.* Except as specified below in this paragraph (b) or as permitted under Section 6.18, the QJSA Notice shall be provided to a Member during the period beginning 90 days before his Annuity Starting Date and ending 30 days before his Annuity Starting Date (or as soon after the expiration of such period as is administratively practicable). If the

Member, after having received the QJSA Notice, affirmatively elects a form of distribution with the consent of the Member's Spouse (if necessary), the 30-day timing requirement of this paragraph (b) will not apply if all of the following conditions are satisfied: (1) the Sponsor informs the Member in writing that the Member has a right to at least 30 days to consider whether to waive the QJSA and consent to a form of distribution other than a QJSA, (2) the Member is permitted to revoke an affirmative distribution election at least until the Annuity Starting Date, or, if later, at any time prior to the expiration of the seven-day period that begins the day after the QJSA Notice is provided to the Member, (3) the Annuity Starting Date is after the date the QJSA Notice is provided to the Member, and (4) a distribution of the Member's benefit in accordance with the Member's affirmative election does not commence before the expiration of the seven-day period that begins the day after the QJSA Notice is provided to the Member. The 90-day timing requirement of this paragraph (b) will not be failed merely because, due solely to administrative delay, a distribution commences more than 90 days after the QJSA Notice is provided to the Member.

(c) *Exception for Members with Small Benefit Amounts.* Notwithstanding the preceding provisions of this Section, no QJSA Notice shall be provided to the Member if his benefit is payable in a lump sum under Section 6.03.

10. Effective 180 days following the adoption of this Amendment, Section 6.18(a) of the Plan is completely amended and restated to provide as follows:

6.18 Failure to Timely Provide QJSA Notice Prior to the Originally Scheduled Payment Date.

(a) *Choice of Annuity Starting Dates.* If for any reason a QJSA Notice is not provided to a Member prior to his originally scheduled Annuity Starting Date (his "*Retroactive Annuity Starting Date*"), the Member shall have the right to elect to receive his Plan benefits calculated as of either (1) his Retroactive Annuity Starting Date, or (2) the date for which the payment of his benefits will be rescheduled to commence (his "*Prospective Annuity Starting Date*").

IN WITNESS WHEREOF, the Sponsor has executed this Agreement this 1st day of May, 2007.

QUANEX CORPORATION

By: /s/ KEVIN P. DELANEY

Title: Senior Vice President-General Counsel and Secretary

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Raymond A. Jean, certify that:

1. I have reviewed this Amendment No. 1 to the quarterly report on Form 10-Q of Quanex Corporation (the “Registrant”); and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

June 8, 2007

/s/ Raymond A. Jean

Raymond A. Jean
Chairman of the Board, President and Chief Executive Officer
(Principal Executive Officer)

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Thomas M. Walker, certify that:

1. I have reviewed this Amendment No. 1 to the quarterly report on Form 10-Q of Quanex Corporation (the “Registrant”); and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

June 8, 2007

/s/ Thomas M. Walker

Thomas M. Walker
Senior Vice President — Finance and Chief Financial Officer
(Principal Financial Officer)