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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

December 2, 2015
(Date of earliest event reported)

QUANEX BUILDING PRODUCTS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
**(State or other jurisdiction
of incorporation)**

1-33913
**(Commission
File Number)**

26-1561397
**(IRS Employer
Identification No.)**

1800 West Loop South, Suite 1500,
Houston, Texas
(Address of principal executive offices)

77027
(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Item 1.01. Entry into a Material Definitive Agreement.

Amendment of Form Award Agreements for Performance-Based Awards under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended

In February 2014, the stockholders of Quanex Building Products Corporation (the “*Company*”) approved the adoption of an amendment and restatement of the Company’s 2008 Omnibus Incentive Plan (as approved, the “*Restated 2008 Plan*”). For more information related to the contents of the Restated 2008 Plan and the changes approved as part of the amendment and restatement, please see the description of the Restated 2008 Plan under Proposal No. 3 included in the Company’s Definitive Proxy Statement relating to its 2014 Annual Meeting of Stockholders, as filed with the Securities and Exchange Commission on January 24, 2014 (the “*Proxy Statement*”), which description of the Restated 2008 Plan is incorporated herein by reference. For the full text of the Restated 2008 Plan, please see Annex A to the Proxy Statement, which is also incorporated herein by reference.

Effective April 29, 2014, the Company adopted forms of award agreement to be used in connection with the various awards that may be granted to employees, Section 16 officers, key leaders, and non-employee directors of the Company, and filed those forms as exhibits to a Current Report on Form 8-K on the same date.

Effective December 2, 2015, the Company approved certain amendments to the forms of award agreement for performance-based awards granted to employees. The approved amendments are applicable only to the employee-focused form agreements for Performance Share Awards, Performance Unit Awards, and Annual Incentive Awards. The amendments were made to ensure that the Company remains in compliance with all legal and regulatory requirements related to reimbursement of performance-based compensation by officers and employees in restatement situations.

The amended forms of performance-based award agreement approved by the Committee are attached to this current report on Form 8-K as Exhibits 10.1 through 10.7. These revised forms of award agreement replace and supersede in their entirety the corresponding forms of award agreement filed as Exhibits 10.13, 10.14, 10.15, 10.17, 10.18, 10.19, and 10.26 to the Company’s current report on Form 8-K filed on April 29, 2014.

Item 9.01. Financial Statements and Exhibits.

- (a) Financial Statements of businesses acquired.
Not applicable
- (b) Pro forma financial information.
Not applicable

(c) Exhibits.

- 10.1 Amended Form of Performance Share Award Agreement for Employees under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.2 Amended Form of Performance Share Award Agreement for Section 16 Officers under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.3 Amended Form of Performance Share Award Agreement for Key Leaders under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.4 Amended Form of Performance Unit Award Agreement for Employees under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.5 Amended Form of Performance Unit Award Agreement for Section 16 Officers under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.6 Amended Form of Performance Unit Award Agreement for Key Leaders under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.7 Amended Form of Annual Incentive Award Agreement under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

December 7, 2015

(Date)

QUANEX BUILDING PRODUCTS CORPORATION

(Registrant)

/s/ Kevin P. Delaney

Kevin P. Delaney

Senior Vice President – General Counsel and Secretary

Exhibit Index

- 10.1 Amended Form of Performance Share Award Agreement for Employees under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.2 Amended Form of Performance Share Award Agreement for Section 16 Officers under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.3 Amended Form of Performance Share Award Agreement for Key Leaders under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.4 Amended Form of Performance Unit Award Agreement for Employees under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.5 Amended Form of Performance Unit Award Agreement for Section 16 Officers under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.6 Amended Form of Performance Unit Award Agreement for Key Leaders under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended
- 10.7 Amended Form of Annual Incentive Award Agreement under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended

QUANEX BUILDING PRODUCTS CORPORATION

**EMPLOYEE
STOCK AND/OR CASH SETTLED
PERFORMANCE SHARE AWARD AGREEMENT**

«FIRST_NAME» «MI» «LAST_NAME»
Grantee

Date of Award:

<< _____ >>

Target Number of Performance Shares:

<< _____ >>

AWARD OF PERFORMANCE SHARES

1. **GRANT OF PERFORMANCE SHARES.** The Compensation Committee (the “*Committee*”) of the Board of Directors of Quanex Building Products Corporation, a Delaware corporation (the “*Company*”), subject to the terms and provisions of the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended (the “*Plan*”), hereby awards to you, the above-named Grantee, effective as of the Date of Award set forth above, the number of Performance Shares set forth above in accordance with the formulas below, on the terms and conditions set forth in this Performance Share Award Agreement (this “*Agreement*”).

Each Performance Share provides you an opportunity to receive shares of the Company’s common stock, \$0.01 par value per share (the “*Common Stock*”) and/or to earn a cash payment based upon attainment of the Performance Goals during the Performance Period. For purposes of this Agreement, the term “*Performance Period*” means the []-year period beginning [], and ending [] (the “*Ending Date*”) and the term “*Performance Goals*” means the attainment of the following goals:

	<u>[Performance Goal A]</u>	<u>[Performance Goal B]</u>
Maximum Milestone	[]	[]
Target Milestone	[]	[]
Threshold Milestone	[]	[]

This Award shall “vest” on the date on which the Committee certifies that the Performance Goals have been satisfied or, if earlier, on the date you are otherwise entitled to receive a payment under Section 5 of this Agreement. The Target Value of each Performance Share shall be equal to the average Fair Market Value of one share of Common Stock for the ten trading days immediately prior to the Ending Date.

2. **AWARD MODIFIER.** The aggregate number of Performance Shares to vest under this Agreement is equal to the Target Number of Performance Shares set forth above multiplied by the award modifier set forth below (the “*Award Modifier*”). For purposes of this Agreement, such Performance Shares shall be referred to as the “Vested Shares”.

¹ This chart, and the use of the terms “Performance Goal A” and “Performance Goal B” throughout this model form, are for illustration purposes only. The number of separate performance goals to be used, the values and milestones attributable to each performance goal, and the specific performance criteria underlying each performance goal, will be determined by the Committee in connection with each grant of Performance Shares.

Employee

[Performance Goal A]

[]% of the Award Modifier will be determined based on [Performance Goal A].

The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal A]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

Performance below the threshold milestone will result in 0% Award Modifier for this portion of the award. The Award Modifier will be interpolated for performance between threshold and target milestones, and target and maximum milestones.

[Performance Goal B]

The final []% of the Award Modifier will be determined based on [Performance Goal B]. The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal B]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

The Committee's determinations with respect to the Performance Period for purposes of this Agreement shall be binding upon all persons. The Committee may decrease, but may not increase the amount payable under this Agreement.

3. **PAYMENT.** The total value (the "Earned Amount") owed to you in connection with this Agreement will be determined by multiplying the number of Target Shares by the Award Modifier and the average Fair Market Value of the Common Stock for the last ten trading days immediately prior to the end of the Performance Period. Except as otherwise expressly provided herein, the total value owed to you based on the calculations set forth above will be paid to you []% in cash (the "Cash Payment") and []% in common stock of the Company (the "Stock Issuance").

Stock Issuance

The number of shares (if any) to be issued in connection with the Stock Issuance (the "Shares") shall be calculated by multiplying the number of Target Shares by the Award Modifier and then multiplying this number by []%.

Cash Payment

The amount of cash (if any) to be issued in connection with the Cash Payment shall be calculated by multiplying the Earned Amount by []%.

Any amount payable to you pursuant to this Agreement will be paid to you by the legal entity that is a member of the Company Group (as defined below) and that is classified as your employer (the "Employer") as soon as administratively practicable following the date of the Committee's certification that the Performance Goals have been satisfied, but no later than March 15 of the calendar year following the calendar year in which the Ending Date occurs (the "Payment Date"). With respect to the Stock Issuance (if any), the Company, on behalf of the Employer, shall cause the Shares to be issued to you on the Payment Date. The Shares that may be issued to you under this Agreement, and the Cash Payment made to you under this Agreement, will be issued and made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement.

Upon the issuance of Shares pursuant to this Agreement, such Shares shall be transferable by you (except to the extent that any proposed transfer would, in the opinion of counsel satisfactory to the Company, constitute a violation of applicable federal or state securities law).

4. EXAMPLE CALCULATION

Assume the following:

- Performance Share Grant of 1,000 shares
- Threshold, Target, and Maximum Award Modifiers of 50%, 100%, and 200% respectively
- [Performance Goal A] performance at [] (precisely halfway between the Target and Maximum Milestones)
- Performance of [] for [Performance Goal B] (precisely the Target Milestone)
- Performance Goals are equally weighted.
- Payment is to be made 50% in Cash and 50% in Common Stock
- The average Fair Market Value of the Common Stock for the ten days immediately prior to the end of the Performance Period is \$25.

The total number of Performance Shares to vest would be the following:

[Performance Goal A] Award Modifier:

500 Performance Shares x 150% Award Modifier = 750 Performance Shares

[Performance Goal B] Award Modifier:

500 Performance Shares x 100% Award Modifier = 500 Performance Shares

Total Performance Shares to vest = 750 Performance Shares + 500 Performance Shares = 1,250 Vested Shares

Example Payment of Vested Shares:

The executive will receive 50% of the award in Common Stock (625 Shares) and 50% of the award in cash. The Cash Payment will be equal to 625 Shares x the average ten day Fair Market Value of Common Stock immediately prior to the Ending Date (\$25), which results in a Cash Payment of \$15,625.

5. **SEPARATION FROM SERVICE.** Notwithstanding anything to the contrary in this Agreement, the following provisions will apply in the event of your Separation from Service (within the meaning of Section 409A (your “*Separation from Service*”)) from the Company Group before the Ending Date.

5.1 Separation from Service Generally. Except as otherwise expressly provided to the contrary in this Section 5, in the event of your Separation from Service before the Ending Date, all of your rights in this Agreement, including all rights to the Performance Shares granted to you, will lapse and be completely forfeited without consideration on the date of your Separation from Service.

5.2 Disability. In the event of your Separation from Service due to your Disability before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period; and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.2 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Shares or this Agreement.

5.3 Death. In the event of your Separation from Service due to your death before the Ending Date, (a) the Company will issue to your estate shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to your estate a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.3 will be paid by the Employer to your estate on the Payment Date. Such payment will be made in exchange for the Performance Shares and thereafter your estate and heirs, executors, and administrators shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations pursuant to the Performance Shares or this Agreement.

5.4 Retirement. In the event of your Separation from Service due to your Retirement before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period

through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.4 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Shares or this Agreement. For purposes of this Section 5.4 “*Retirement*” means your voluntary Separation from Service on or after the date on which (a) you are age 65 or (b) you are age 55 and have five years of service with the Company Group.

6. **TAX WITHHOLDING.** To the extent that the issuance of Shares or any payment pursuant to this Agreement results in income, wages or other compensation to you for any income, employment or other tax purposes with respect to which the Company or the Employer has a withholding obligation, you shall deliver to the Company or the Employer, as applicable, at the time of such receipt, issuance, or payment, as the case may be, such amount of money as the Company or the Employer may require to meet its obligation under applicable tax laws or regulations, and, if you fail to do so, the Company or the Employer, as applicable, is authorized to withhold from any payment or issuance of shares under this Agreement, or from any cash or stock remuneration or other payment then or thereafter payable to you by the Company or the Employer, any tax required to be withheld by reason of such taxable income, wages or compensation including (without limitation) shares of Common Stock sufficient to satisfy the withholding obligation based on the last per share sales price of the Common Stock for the trading day immediately preceding the date that the withholding obligation arises, as reported in the New York Stock Exchange Composite Transactions.
7. **NONTRANSFERABILITY.** The Performance Shares and your rights under this Agreement may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of. Any such attempted sale, assignment, pledge, exchange, hypothecation, transfer, encumbrance or disposition in violation of this Agreement shall be void and the Company Group shall not be bound thereby.
8. **CAPITAL ADJUSTMENTS AND REORGANIZATIONS.** The existence of the Performance Shares shall not affect in any way the right or power of the Company or any company the stock of which is awarded pursuant to the Agreement to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or its business, engage in any merger or consolidation, issue any debt or equity securities, dissolve or liquidate, or sell, lease, exchange or otherwise dispose of all or any part of its assets or business, or engage in any other corporate act or proceeding.
9. **PERFORMANCE SHARES DO NOT AWARD CERTAIN RIGHTS OF A SHAREHOLDER.** You shall not have the voting rights or any of the other rights, powers or privileges of a holder of the stock of the Company with respect to the Performance Shares that are awarded hereby. Only after Shares are issued in exchange for your rights under this Agreement will you have all of the rights of a shareholder with respect to such Shares.
10. **RIGHTS TO RECEIVE DIVIDEND PAYMENTS.** Cash dividends, stock, and any other property (other than cash) distributed as a dividend or otherwise with respect to any Performance Share shall be accumulated, and shall be subject to restrictions and risk of forfeiture to the same extent as otherwise set forth in this Agreement. The combined value of any such distributions shall be paid to you at the time such restrictions and risk of forfeiture lapse.

11. **EMPLOYMENT RELATIONSHIP.** For purposes of the Agreement, you shall be considered to be in the employment of the Company Group as long as you have an employment relationship with the Company Group. The Committee shall determine any questions as to whether and when there has been a termination of such employment relationship, and the cause of such termination, under the Plan, and the Committee's determination shall be final and binding on all persons.
12. **NOT AN EMPLOYMENT AGREEMENT.** This Agreement is not an employment agreement, and no provision of this Agreement shall be construed or interpreted to create an employment relationship between you and the Company or any Affiliate or guarantee the right to remain employed by the Company or any Affiliate for any specified term.
13. **SECURITIES ACT LEGEND.** If you are or become an officer or affiliate of the Company under the Securities Act of 1933, you consent to the placing on any certificate for the Shares of an appropriate legend restricting resale or other transfer of the Shares except in accordance with such Act and all applicable rules thereunder.
14. **LIMIT OF LIABILITY.** Under no circumstances will the Company or an Affiliate be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any 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.
15. **REGISTRATION.** The Shares that may be issued under the Plan are registered with the Securities and Exchange Commission under a Registration Statement on Form S-8.
16. **SALE OF SECURITIES.** The Shares that may be issued under this Agreement may not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. You also agree that (a) the Company may refuse to cause the transfer of the Shares to be registered on the stock register of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable federal or state securities law and (b) the Company may give related instructions to the transfer agent, if any, to stop registration of the transfer of the Shares.
17. **REIMBURSEMENT OF EXECUTIVE COMPENSATION IN RESTATEMENT SITUATIONS:** 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 payment to you under this Agreement when (a) the award 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 you based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which your cash payment for the relevant period exceeded the lower payment that would have been made based on the restated financial results. If there are multiple performance metrics and one is more readily calculable to determine whether a lower payment should have been made, then the same ratio or percentage applicable for the readily calculable metric shall be applied to the other metric(s) so that the entire award payment is recovered on a pro-rata basis to the event. No reimbursement shall be required if such material restatement was caused by or resulted from any change in accounting policy or rules.
18. **AGREEMENT TO REPAYMENT OF PERFORMANCE BASED INCENTIVE COMPENSATION WHEN PAYMENTS ARE REQUIRED UNDER FEDERAL LAW OR THE RULES OF AN EXCHANGE:** Employee acknowledges that the Company is a publicly-traded entity

subject to the laws and regulations of the United States Securities and Exchange Commission, as well as the requirements of the New York Stock Exchange. The Employee further acknowledges that the Company's approved form agreements for performance-based incentive compensation granted to Employee contain certain "clawback" terms and provisions. Employee agrees to the terms and conditions of any policy adopted by the Company to comply with, or any decision of the Company to adhere to, any requirement or policy of the New York Stock Exchange (or any other exchange on which the securities of the Company are listed) pursuant to Section 10D of the Securities Exchange Act of 1934 (the "Policy") from this point forward for any grants made previously or in the future. Section 10D provides for the recovery of incentive-based compensation that has been erroneously granted, earned, vested or paid because of one or more errors that are material in the financial statements of the Company. To the extent such Policy requires the repayment or recovery of incentive-based compensation granted to, or earned or received by Employee, or in which the Employee vested, whether granted, vested, earned or paid pursuant to any past or future award agreements or any other plan of incentive-based compensation maintained in the past or adopted in the future by the Company, Employee agrees to the forfeiture, recovery or repayment of such amounts to the extent required by such Policy.

19. **EMPLOYER LIABLE FOR PAYMENT.** Except as the Committee may determine otherwise in connection with a Change in Control, the Employer is liable for the payment of any amounts that become due under this Agreement.
20. **SECTION 409A OF THE INTERNAL REVENUE CODE.** This Agreement and all payments made hereunder, are intended to meet the short-term deferral exception described under section 1.409A-1(b)(4) of the applicable Treasury regulations, or otherwise comply with, Section 409A, and this Agreement shall be interpreted so as to effect that intent. By accepting this Award, you acknowledge and agree that (a) you are not relying upon any written or oral statement or oral statement or representation of the Company, its Affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "Company Parties") regarding the tax effects associated with execution of this Agreement and the Shares issued or Cash Payment made pursuant to the Plan, and (b) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. By accepting this Award, you thereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with the Award and this Agreement.
21. **DELAYED PAYMENT IN CERTAIN CIRCUMSTANCES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IF YOU ARE A SPECIFIED EMPLOYEE (WITHIN THE MEANING OF SECTION 409A) AND THE COMPANY DETERMINES THAT A PAYMENT HEREUNDER IS NOT PERMITTED TO BE PAID ON THE DATE SPECIFIED WITHOUT THE IMPOSITION OF ADDITIONAL TAXES, INTEREST OR PENALTIES UNDER SECTION 409A, THEN NO PAYMENTS SHALL BE MADE TO YOU PURSUANT TO THIS AWARD DUE TO A SEPARATION FROM SERVICE FOR ANY REASON BEFORE THE EARLIER OF THE DATE THAT IS SIX MONTHS AND A DAY AFTER THE DATE ON WHICH YOU INCUR SUCH SEPARATION FROM SERVICE OR FIVE BUSINESS DAYS FOLLOWING THE DATE OF YOUR DEATH.**
22. **PAYMENT TO RABBI TRUST IN CONNECTION WITH DELAYED PAYMENT.** If the Company determines in its sole discretion that you are a Specified Employee as of any Payment Date and that Section 409A applies as set forth in Section 20 of this Agreement, then any such portion payable during the Six-Month Delay Period shall be transferred to a rabbi trust (which shall be a rabbi trust previously created by the Company that contains other amounts of deferred compensation payable by the Company or a rabbi trust created by the Company or its successor) as soon as administratively

feasible following the occurrence of the event giving rise to your right to such payment, except to the extent such transfer would subject you to penalties under the funding restriction provisions of Section 409A, as amended by the Pension Protection Act of 2006, and such amounts (together with earnings thereon determined in accordance with the terms of the trust agreement) shall be transferred from the trust to you upon the earlier of (i) the expiration of the Six-Month Delay Period, or (ii) any other earlier date permitted under Section 409A.

23. **TAX-BASED PROGRAM CRITERIA.** The Plan is designed to conform to the requirements of Section 162(m) of the Internal Revenue Code, which limits the amount the Company can deduct for non-performance-based compensation. Performance-based compensation meeting the requirements of the Internal Revenue Code is not subject to this limit. The Award granted hereby is intended to meet these requirements so that the Company can deduct this element of compensation.
24. **FRACTIONAL SHARES PAID IN CASH.** In the event any share of Common Stock due hereunder is a fractional share, the Company shall pay the value of such fractional share in cash.
25. **MISCELLANEOUS.** This Agreement is awarded pursuant to and is subject to all of the provisions of the Plan, including amendments to the Plan, if any. In the event of a conflict between this Agreement and the Plan provisions, the Plan provisions will control. The term “you” and “your” refer to the Grantee named in this Agreement. Capitalized terms that are not defined herein shall have the meanings ascribed to such terms in the Plan. This Agreement shall be binding on all successors and assigns of the Company.

In accepting the award of Performance Shares set forth in this Agreement you accept and agree to be bound by all the terms and conditions of the Plan and this Agreement.

**QUANEX BUILDING
PRODUCTS CORPORATION**

[Name and Title of Executing Officer]

AGREED AND ACCEPTED:

Name *(please print)*:

QUANEX BUILDING PRODUCTS CORPORATION

**SECTION 16 OFFICER
STOCK AND/OR CASH SETTLED
PERFORMANCE SHARE AWARD AGREEMENT**

«FIRST_NAME» «MI» «LAST_NAME»
Grantee

Date of Award:

<< _____ >>

Target Number of Performance Shares:

<< _____ >>

AWARD OF PERFORMANCE SHARES

1. **GRANT OF PERFORMANCE SHARES.** The Compensation Committee (the “*Committee*”) of the Board of Directors of Quanex Building Products Corporation, a Delaware corporation (the “*Company*”), subject to the terms and provisions of the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended (the “*Plan*”), hereby awards to you, the above-named Grantee, effective as of the Date of Award set forth above, the number of Performance Shares set forth above in accordance with the formulas below, on the terms and conditions set forth in this Performance Share Award Agreement (this “*Agreement*”).

Each Performance Share provides you an opportunity to receive shares of the Company’s common stock, \$0.01 par value per share (the “*Common Stock*”) and/or to earn a cash payment based upon attainment of the Performance Goals during the Performance Period. For purposes of this Agreement, the term “*Performance Period*” means the []-year period beginning [], and ending [] (the “*Ending Date*”) and the term “*Performance Goals*” means the attainment of the following goals:

	<u>[Performance Goal A]</u>	<u>[Performance Goal B]</u>
Maximum Milestone	[]	[]
Target Milestone	[]	[]
Threshold Milestone	[]	[]

This Award shall “vest” on the date on which the Committee certifies that the Performance Goals have been satisfied or, if earlier, on the date you are otherwise entitled to receive a payment under Section 5 of this Agreement. The Target Value of each Performance Share shall be equal to the average Fair Market Value of one share of Common Stock for the ten trading days immediately prior to the Ending Date.

2. **AWARD MODIFIER.** The aggregate number of Performance Shares to vest under this Agreement is equal to the Target Number of Performance Shares set forth above multiplied by the award modifier set forth below (the “*Award Modifier*”). For purposes of this Agreement, such Performance Shares shall be referred to as the “*Vested Shares*”.

¹ This chart, and the use of the terms “Performance Goal A” and “Performance Goal B” throughout this model form, are for illustration purposes only. The number of separate performance goals to be used, the values and milestones attributable to each performance goal, and the specific performance criteria underlying each performance goal, will be determined by the Committee in connection with each grant of Performance Shares.

Section 16 Officer

[Performance Goal A]

[]% of the Award Modifier will be determined based on [Performance Goal A].

The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal A]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

Performance below the threshold milestone will result in 0% Award Modifier for this portion of the award. The Award Modifier will be interpolated for performance between threshold and target milestones, and target and maximum milestones.

[Performance Goal B]

The final []% of the Award Modifier will be determined based on [Performance Goal B]. The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal B]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

The Committee's determinations with respect to the Performance Period for purposes of this Agreement shall be binding upon all persons. The Committee may decrease, but may not increase the amount payable under this Agreement.

3. **PAYMENT.** The total value (the "Earned Amount") owed to you in connection with this Agreement will be determined by multiplying the number of Target Shares by the Award Modifier and the average Fair Market Value of the Common Stock for the last ten trading days immediately prior to the end of the Performance Period. Except as otherwise expressly provided herein, the total value owed to you based on the calculations set forth above will be paid to you []% in cash (the "Cash Payment") and []% in common stock of the Company (the "Stock Issuance").

Stock Issuance

The number of shares (if any) to be issued in connection with the Stock Issuance (the "Shares") shall be calculated by multiplying the number of Target Shares by the Award Modifier and then multiplying this number by []%.

Cash Payment

The amount of cash (if any) to be issued in connection with the Cash Payment shall be calculated by multiplying the Earned Amount by []%.

Any amount payable to you pursuant to this Agreement will be paid to you by the legal entity that is a member of the Company Group (as defined below) and that is classified as your employer (the "Employer") as soon as administratively practicable following the date of the Committee's certification that the Performance Goals have been satisfied, but no later than March 15 of the calendar year following the calendar year in which the Ending Date occurs (the "Payment Date"). With respect to the Stock Issuance (if any), the Company, on behalf of the Employer, shall cause the Shares to be issued to you on the Payment Date. The Shares that may be issued to you under this Agreement, and the Cash Payment made to you under this Agreement, will be issued and made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement.

Upon the issuance of Shares pursuant to this Agreement, such Shares shall be transferable by you (except to the extent that any proposed transfer would, in the opinion of counsel satisfactory to the Company, constitute a violation of applicable federal or state securities law).

4. EXAMPLE CALCULATION

Assume the following:

- Performance Share Grant of 1,000 shares
- Threshold, Target, and Maximum Award Modifiers of 50%, 100%, and 200% respectively
- [Performance Goal A] performance at [] (precisely halfway between the Target and Maximum Milestones)
- Performance of [] for [Performance Goal B] (precisely the Target Milestone)
- Performance Goals are equally weighted.
- Payment is to be made 50% in Cash and 50% in Common Stock
- The average Fair Market Value of the Common Stock for the ten days immediately prior to the end of the Performance Period is \$25.

The total number of Performance Shares to vest would be the following:

[Performance Goal A] Award Modifier:

500 Performance Shares x 150% Award Modifier = 750 Performance Shares

[Performance Goal B] Award Modifier:

500 Performance Shares x 100% Award Modifier = 500 Performance Shares

Total Performance Shares to vest = 750 Performance Shares + 500 Performance Shares = 1,250 Vested Shares

Example Payment of Vested Shares:

The executive will receive 50% of the award in Common Stock (625 Shares) and 50% of the award in cash. The Cash Payment will be equal to 625 Shares x the average ten day Fair Market Value of Common Stock immediately prior to the Ending Date (\$25), which results in a Cash Payment of \$15,625.

5. **SEPARATION FROM SERVICE/CHANGE IN CONTROL OF THE COMPANY.** Notwithstanding anything to the contrary in this Agreement, the following provisions will apply in the event of your Separation from Service (within the meaning of Section 409A (your “*Separation from Service*”)) from the Company Group, or a Change in Control of the Company occurs, before the Ending Date. For purposes of this Agreement, a “*Change in Control*” of the Company shall have the meaning ascribed to such term in the Change in Control Agreement between you and the Company.

5.1 **Separation from Service Generally.** Except as otherwise expressly provided to the contrary in this Section 5, in the event of your Separation from Service before the Ending Date, all of your rights in this Agreement, including all rights to the Performance Shares granted to you, will lapse and be completely forfeited without consideration on the date of your Separation from Service.

5.2 **Change in Control of the Company.** If a Change in Control of the Company occurs on or before the Ending Date, you do not incur a Separation from Service prior to that time, and the successor company in the Change in Control does not otherwise assume or substitute for the award granted hereby, then ten (10) business days after the closing date of the Change in Control of the Company, the Company or its successor will pay to you an amount in cash equal to the product of the Company’s closing stock price on the date of the Change in Control multiplied by the Target Number of Performance Shares that were awarded to you under this Agreement for the year in which the Change in Control of the Company occurs (the “*Award Target Value*”) and (b) a fraction, the numerator of which is the number of years through the closing date of the Change in Control of the Company in the Performance Period (rounded up to the nearest full year) and the denominator of which is the number of years in the current Performance Period. Such payment will be made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Shares or this Agreement. Notwithstanding anything to the contrary contained in this Agreement or the Plan, if following the commencement of any discussion with a third person that ultimately results in a Change in Control of the Company, (i) your employment with the Company is terminated, (ii) you are removed from any material duties or position with the Company, (iii) your base salary is reduced, or (iv) your target annual bonus is reduced to an amount less than the target bonus paid to you during the previous fiscal year, then for all purposes of this Agreement, such Change in Control of the Company shall be deemed to have occurred on the date immediately prior to the date of such termination, removal, or reduction.

5.3 **Disability.** In the event of your Separation from Service due to your Disability before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period; and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any

amount payable pursuant to this Section 5.3 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Shares or this Agreement.

5.4 **Death.** In the event of your Separation from Service due to your death before the Ending Date, (a) the Company will issue to your estate shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to your estate a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.4 will be paid by the Employer to your estate on the Payment Date. Such payment will be made in exchange for the Performance Shares and thereafter your estate and heirs, executors, and administrators shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations pursuant to the Performance Shares or this Agreement.

5.5 **Retirement.** In the event of your Separation from Service due to your Retirement before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.5 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Shares or this Agreement. For purposes of this Section 5.5 "Retirement" means your voluntary Separation from Service on or after the date on which (a) you are age 65 or (b) you are age 55 and have five years of service with the Company Group.

6. **TAX WITHHOLDING.** To the extent that the issuance of Shares or any payment pursuant to this Agreement results in income, wages or other compensation to you for any income, employment or other tax purposes with respect to which the Company or the Employer has a withholding obligation, you shall deliver to the Company or the Employer, as applicable, at the time of such receipt, issuance, or payment, as the case may be, such amount of money as the Company or the Employer may require to meet its obligation under applicable tax laws or regulations, and, if you fail to do so, the Company or the Employer, as applicable, is authorized to withhold from any payment or issuance of shares under this Agreement, or from any cash or stock remuneration or other payment then or thereafter payable to you by the Company or the Employer, any tax required to be withheld by reason of such taxable income, wages or compensation including (without limitation) shares of Common Stock sufficient to satisfy the withholding obligation based on the last per share sales price of the Common Stock for the trading day immediately preceding the date that the withholding obligation arises, as reported in the New York Stock Exchange Composite Transactions.

7. **NONTRANSFERABILITY.** The Performance Shares and your rights under this Agreement may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of. Any such attempted sale, assignment, pledge, exchange, hypothecation, transfer, encumbrance or disposition in violation of this Agreement shall be void and the Company Group shall not be bound thereby.
8. **CAPITAL ADJUSTMENTS AND REORGANIZATIONS.** The existence of the Performance Shares shall not affect in any way the right or power of the Company or any company the stock of which is awarded pursuant to the Agreement to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or its business, engage in any merger or consolidation, issue any debt or equity securities, dissolve or liquidate, or sell, lease, exchange or otherwise dispose of all or any part of its assets or business, or engage in any other corporate act or proceeding.
9. **PERFORMANCE SHARES DO NOT AWARD CERTAIN RIGHTS OF A SHAREHOLDER.** You shall not have the voting rights or any of the other rights, powers or privileges of a holder of the stock of the Company with respect to the Performance Shares that are awarded hereby. Only after Shares are issued in exchange for your rights under this Agreement will you have all of the rights of a shareholder with respect to such Shares.
10. **RIGHTS TO RECEIVE DIVIDEND PAYMENTS.** Cash dividends, stock, and any other property (other than cash) distributed as a dividend or otherwise with respect to any Performance Share shall be accumulated, and shall be subject to restrictions and risk of forfeiture to the same extent as otherwise set forth in this Agreement. The combined value of any such distributions shall be paid to you at the time such restrictions and risk of forfeiture lapse.
11. **EMPLOYMENT RELATIONSHIP.** For purposes of the Agreement, you shall be considered to be in the employment of the Company Group as long as you have an employment relationship with the Company Group. The Committee shall determine any questions as to whether and when there has been a termination of such employment relationship, and the cause of such termination, under the Plan, and the Committee's determination shall be final and binding on all persons.
12. **NOT AN EMPLOYMENT AGREEMENT.** This Agreement is not an employment agreement, and no provision of this Agreement shall be construed or interpreted to create an employment relationship between you and the Company or any Affiliate or guarantee the right to remain employed by the Company or any Affiliate for any specified term.
13. **SECURITIES ACT LEGEND.** If you are or become an officer or affiliate of the Company under the Securities Act of 1933, you consent to the placing on any certificate for the Shares of an appropriate legend restricting resale or other transfer of the Shares except in accordance with such Act and all applicable rules thereunder.
14. **LIMIT OF LIABILITY.** Under no circumstances will the Company or an Affiliate be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any 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.
15. **REGISTRATION.** The Shares that may be issued under the Plan are registered with the Securities and Exchange Commission under a Registration Statement on Form S-8.

16. **SALE OF SECURITIES.** The Shares that may be issued under this Agreement may not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. You also agree that (a) the Company may refuse to cause the transfer of the Shares to be registered on the stock register of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable federal or state securities law and (b) the Company may give related instructions to the transfer agent, if any, to stop registration of the transfer of the Shares.
17. **REIMBURSEMENT OF EXECUTIVE COMPENSATION IN RESTATEMENT SITUATIONS:** 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 payment to you under this Agreement when (a) the award 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 you based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which your cash payment for the relevant period exceeded the lower payment that would have been made based on the restated financial results. If there are multiple performance metrics and one is more readily calculable to determine whether a lower payment should have been made, then the same ratio or percentage applicable for the readily calculable metric shall be applied to the other metric(s) so that the entire award payment is recovered on a pro-rata basis to the event. No reimbursement shall be required if such material restatement was caused by or resulted from any change in accounting policy or rules.
18. **AGREEMENT TO REPAYMENT OF PERFORMANCE BASED INCENTIVE COMPENSATION WHEN PAYMENTS ARE REQUIRED UNDER FEDERAL LAW OR THE RULES OF AN EXCHANGE:** Employee acknowledges that the Company is a publicly-traded entity subject to the laws and regulations of the United States Securities and Exchange Commission, as well as the requirements of the New York Stock Exchange. The Employee further acknowledges that the Company's approved form agreements for performance-based incentive compensation granted to Employee contain certain "clawback" terms and provisions. Employee agrees to the terms and conditions of any policy adopted by the Company to comply with, or any decision of the Company to adhere to, any requirement or policy of the New York Stock Exchange (or any other exchange on which the securities of the Company are listed) pursuant to Section 10D of the Securities Exchange Act of 1934 (the "Policy") from this point forward for any grants made previously or in the future. Section 10D provides for the recovery of incentive-based compensation that has been erroneously granted, earned, vested or paid because of one or more errors that are material in the financial statements of the Company. To the extent such Policy requires the repayment or recovery of incentive-based compensation granted to, or earned or received by Employee, or in which the Employee vested, whether granted, vested, earned or paid pursuant to any past or future award agreements or any other plan of incentive-based compensation maintained in the past or adopted in the future by the Company, Employee agrees to the forfeiture, recovery or repayment of such amounts to the extent required by such Policy.
19. **EMPLOYER LIABLE FOR PAYMENT.** Except as the Committee may determine otherwise in connection with a Change in Control, the Employer is liable for the payment of any amounts that become due under this Agreement.
20. **SECTION 409A OF THE INTERNAL REVENUE CODE.** This Agreement and all payments made hereunder, are intended to meet the short-term deferral exception described under section 1.409A-1(b)(4) of the applicable Treasury regulations, or otherwise comply with, Section 409A, and this Agreement shall be interpreted so as to effect that intent. By accepting this Award, you acknowledge and agree that (a) you are not relying upon any written or oral statement or oral statement or representation of the Company, its Affiliates, or any of their respective employees, directors, officers,

attorneys or agents (collectively, the “*Company Parties*”) regarding the tax effects associated with execution of this Agreement and the Shares issued or Cash Payment made pursuant to the Plan, and (b) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. By accepting this Award, you thereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with the Award and this Agreement.

21. **DELAYED PAYMENT IN CERTAIN CIRCUMSTANCES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IF YOU ARE A SPECIFIED EMPLOYEE (WITHIN THE MEANING OF SECTION 409A) AND THE COMPANY DETERMINES THAT A PAYMENT HEREUNDER IS NOT PERMITTED TO BE PAID ON THE DATE SPECIFIED WITHOUT THE IMPOSITION OF ADDITIONAL TAXES, INTEREST OR PENALTIES UNDER SECTION 409A, THEN NO PAYMENTS SHALL BE MADE TO YOU PURSUANT TO THIS AWARD DUE TO A SEPARATION FROM SERVICE FOR ANY REASON BEFORE THE EARLIER OF THE DATE THAT IS SIX MONTHS AND A DAY AFTER THE DATE ON WHICH YOU INCUR SUCH SEPARATION FROM SERVICE OR FIVE BUSINESS DAYS FOLLOWING THE DATE OF YOUR DEATH.**
22. **PAYMENT TO RABBI TRUST IN CONNECTION WITH DELAYED PAYMENT.** If the Company determines in its sole discretion that you are a Specified Employee as of any Payment Date and that Section 409A applies as set forth in Section 20 of this Agreement, then any such portion payable during the Six-Month Delay Period shall be transferred to a rabbi trust (which shall be a rabbi trust previously created by the Company that contains other amounts of deferred compensation payable by the Company or a rabbi trust created by the Company or its successor) as soon as administratively feasible following the occurrence of the event giving rise to your right to such payment, except to the extent such transfer would subject you to penalties under the funding restriction provisions of Section 409A, as amended by the Pension Protection Act of 2006, and such amounts (together with earnings thereon determined in accordance with the terms of the trust agreement) shall be transferred from the trust to you upon the earlier of (i) the expiration of the Six-Month Delay Period, or (ii) any other earlier date permitted under Section 409A.
23. **TAX-BASED PROGRAM CRITERIA.** The Plan is designed to conform to the requirements of Section 162(m) of the Internal Revenue Code, which limits the amount the Company can deduct for non-performance-based compensation. Performance-based compensation meeting the requirements of the Internal Revenue Code is not subject to this limit. The Award granted hereby is intended to meet these requirements so that the Company can deduct this element of compensation.
24. **FRACTIONAL SHARES PAID IN CASH.** In the event any share of Common Stock due hereunder is a fractional share, the Company shall pay the value of such fractional share in cash.

25. **MISCELLANEOUS.** This Agreement is awarded pursuant to and is subject to all of the provisions of the Plan, including amendments to the Plan, if any. In the event of a conflict between this Agreement and the Plan provisions, the Plan provisions will control. The term “you” and “your” refer to the Grantee named in this Agreement. Capitalized terms that are not defined herein shall have the meanings ascribed to such terms in the Plan. This Agreement shall be binding on all successors and assigns of the Company.

In accepting the award of Performance Shares set forth in this Agreement you accept and agree to be bound by all the terms and conditions of the Plan and this Agreement.

QUANEX BUILDING PRODUCTS CORPORATION

[Name and Title of Executing Officer]

AGREED AND ACCEPTED:

Name *(please print)*:

QUANEX BUILDING PRODUCTS CORPORATION

**KEY LEADER
STOCK AND/OR CASH SETTLED
PERFORMANCE SHARE AWARD AGREEMENT**

«FIRST_NAME» «MI» «LAST_NAME»

Grantee

Date of Award:

<<_____>>

Target Number of Performance Shares:

<<_____>>

AWARD OF PERFORMANCE SHARES

1. **GRANT OF PERFORMANCE SHARES.** The Compensation Committee (the “*Committee*”) of the Board of Directors of Quanex Building Products Corporation, a Delaware corporation (the “*Company*”), subject to the terms and provisions of the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended (the “*Plan*”), hereby awards to you, the above-named Grantee, effective as of the Date of Award set forth above, the number of Performance Shares set forth above in accordance with the formulas below, on the terms and conditions set forth in this Performance Share Award Agreement (this “*Agreement*”).

Each Performance Share provides you an opportunity to receive shares of the Company’s common stock, \$0.01 par value per share (the “*Common Stock*”) and/or to earn a cash payment based upon attainment of the Performance Goals during the Performance Period. For purposes of this Agreement, the term “*Performance Period*” means the []-year period beginning [], and ending [] (the “*Ending Date*”) and the term “*Performance Goals*” means the attainment of the following goals:

	<u>[Performance Goal A]</u>	<u>[Performance Goal B]</u>
Maximum Milestone	[]	[]
Target Milestone	[]	[]
Threshold Milestone	[]	[]

This Award shall “vest” on the date on which the Committee certifies that the Performance Goals have been satisfied or, if earlier, on the date you are otherwise entitled to receive a payment under Section 5 of this Agreement. The Target Value of each Performance Share shall be equal to the average Fair Market Value of one share of Common Stock for the ten trading days immediately prior to the Ending Date.

2. **AWARD MODIFIER.** The aggregate number of Performance Shares to vest under this Agreement is equal to the Target Number of Performance Shares set forth above multiplied by the award modifier set forth below (the “*Award Modifier*”). For purposes of this Agreement, such Performance Shares shall be referred to as the “Vested Shares”.

¹ This chart, and the use of the terms “Performance Goal A” and “Performance Goal B” throughout this model form, are for illustration purposes only. The number of separate performance goals to be used, the values and milestones attributable to each performance goal, and the specific performance criteria underlying each performance goal, will be determined by the Committee in connection with each grant of Performance Shares.

Key Leader

[Performance Goal A]

[]% of the Award Modifier will be determined based on [Performance Goal A].

The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal A]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

Performance below the threshold milestone will result in 0% Award Modifier for this portion of the award. The Award Modifier will be interpolated for performance between threshold and target milestones, and target and maximum milestones.

[Performance Goal B]

The final []% of the Award Modifier will be determined based on [Performance Goal B]. The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal B]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

The Committee's determinations with respect to the Performance Period for purposes of this Agreement shall be binding upon all persons. The Committee may decrease, but may not increase the amount payable under this Agreement.

3. **PAYMENT.** The total value (the "Earned Amount") owed to you in connection with this Agreement will be determined by multiplying the number of Target Shares by the Award Modifier and the average Fair Market Value of the Common Stock for the last ten trading days immediately prior to the end of the Performance Period. Except as otherwise expressly provided herein, the total value owed to you based on the calculations set forth above will be paid to you []% in cash (the "Cash Payment") and []% in common stock of the Company (the "Stock Issuance").

Stock Issuance

The number of shares (if any) to be issued in connection with the Stock Issuance (the "Shares") shall be calculated by multiplying the number of Target Shares by the Award Modifier and then multiplying this number by []%.

Cash Payment

The amount of cash (if any) to be issued in connection with the Cash Payment shall be calculated by multiplying the Earned Amount by []%.

Any amount payable to you pursuant to this Agreement will be paid to you by the legal entity that is a member of the Company Group (as defined below) and that is classified as your employer (the "Employer") as soon as administratively practicable following the date of the Committee's certification that the Performance Goals have been satisfied, but no later than March 15 of the calendar year following the calendar year in which the Ending Date occurs (the "Payment Date"). With respect to the Stock Issuance (if any), the Company, on behalf of the Employer, shall cause the Shares to be issued to you on the Payment Date. The Shares that may be issued to you under this Agreement, and the Cash Payment made to you under this Agreement, will be issued and made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement.

Upon the issuance of Shares pursuant to this Agreement, such Shares shall be transferable by you (except to the extent that any proposed transfer would, in the opinion of counsel satisfactory to the Company, constitute a violation of applicable federal or state securities law).

4. EXAMPLE CALCULATION

Assume the following:

- Performance Share Grant of 1,000 shares
- Threshold, Target, and Maximum Award Modifiers of 50%, 100%, and 200% respectively
- [Performance Goal A] performance at [] (precisely halfway between the Target and Maximum Milestones)
- Performance of [] for [Performance Goal B] (precisely the Target Milestone)
- Performance Goals are equally weighted.
- Payment is to be made 50% in Cash and 50% in Common Stock
- The average Fair Market Value of the Common Stock for the ten days immediately prior to the end of the Performance Period is \$25.

The total number of Performance Shares to vest would be the following:

[Performance Goal A] Award Modifier:

500 Performance Shares x 150% Award Modifier = 750 Performance Shares

[Performance Goal B] Award Modifier:

500 Performance Shares x 100% Award Modifier = 500 Performance Shares

Total Performance Shares to vest = 750 Performance Shares + 500 Performance Shares = 1,250 Vested Shares

Example Payment of Vested Shares:

The executive will receive 50% of the award in Common Stock (625 Shares) and 50% of the award in cash. The Cash Payment will be equal to 625 Shares x the average ten day Fair Market Value of Common Stock immediately prior to the Ending Date (\$25), which results in a Cash Payment of \$15,625.

5. **SEPARATION FROM SERVICE/CHANGE IN CONTROL OF THE COMPANY.** Notwithstanding anything to the contrary in this Agreement, the following provisions will apply in the event of your Separation from Service (within the meaning of Section 409A (your “*Separation from Service*”)) from the Company Group, or a Change in Control of the Company occurs, before the Ending Date. For purposes of this Agreement, a “*Change in Control*” of the Company shall have the meaning ascribed to such term in the Plan.

5.1 **Separation from Service Generally.** Except as otherwise expressly provided to the contrary in this Section 5, in the event of your Separation from Service before the Ending Date, all of your rights in this Agreement, including all rights to the Performance Shares granted to you, will lapse and be completely forfeited without consideration on the date of your Separation from Service.

5.2 **Change in Control of the Company.** If a Change in Control of the Company occurs on or before the Ending Date, you do not incur a Separation from Service prior to that time, and the successor company in the Change in Control does not otherwise assume or substitute for the award granted hereby, then ten (10) business days after the closing date of the Change in Control of the Company, the Company or its successor will pay to you an amount in cash equal to the product of the Company’s closing stock price on the date of the Change in Control multiplied by the Target Number of Performance Shares that were awarded to you under this Agreement for the year in which the Change in Control of the Company occurs (the “*Award Target Value*”) and (b) a fraction, the numerator of which is the number of years through the closing date of the Change in Control of the Company in the Performance Period (rounded up to the nearest full year) and the denominator of which is the number of years in the current Performance Period. Such payment will be made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Shares or this Agreement. Notwithstanding anything to the contrary contained in this Agreement or the Plan, if following the commencement of any discussion with a third person that ultimately results in a Change in Control of the Company, (i) your employment with the Company is terminated, (ii) you are removed from any material duties or position with the Company, (iii) your base salary is reduced, or (iv) your target annual bonus is reduced to an amount less than the target bonus paid to you during the previous fiscal year, then for all purposes of this Agreement, such Change in Control of the Company shall be deemed to have occurred on the date immediately prior to the date of such termination, removal, or reduction.

5.3 **Disability.** In the event of your Separation from Service due to your Disability before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period; and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.3 will be paid by the Employer to you on the Payment Date.

Such payment will be made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Shares or this Agreement.

5.4 **Death.** In the event of your Separation from Service due to your death before the Ending Date, (a) the Company will issue to your estate shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to your estate a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.4 will be paid by the Employer to your estate on the Payment Date. Such payment will be made in exchange for the Performance Shares and thereafter your estate and heirs, executors, and administrators shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations pursuant to the Performance Shares or this Agreement.

5.5 **Retirement.** In the event of your Separation from Service due to your Retirement before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.5 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Shares and thereafter you shall have no further rights with respect to such Performance Shares or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Shares or this Agreement. For purposes of this Section 5.5 "Retirement" means your voluntary Separation from Service on or after the date on which (a) you are age 65 or (b) you are age 55 and have five years of service with the Company Group.

6. **TAX WITHHOLDING.** To the extent that the issuance of Shares or any payment pursuant to this Agreement results in income, wages or other compensation to you for any income, employment or other tax purposes with respect to which the Company or the Employer has a withholding obligation, you shall deliver to the Company or the Employer, as applicable, at the time of such receipt, issuance, or payment, as the case may be, such amount of money as the Company or the Employer may require to meet its obligation under applicable tax laws or regulations, and, if you fail to do so, the Company or the Employer, as applicable, is authorized to withhold from any payment or issuance of shares under this Agreement, or from any cash or stock remuneration or other payment then or thereafter payable to you by the Company or the Employer, any tax required to be withheld by reason of such taxable income, wages or compensation including (without limitation) shares of Common Stock sufficient to satisfy the withholding obligation based on the last per share sales price of the Common Stock for the trading day immediately preceding the date that the withholding obligation arises, as reported in the New York Stock Exchange Composite Transactions.

7. **NONTRANSFERABILITY.** The Performance Shares and your rights under this Agreement may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of. Any such attempted sale, assignment, pledge, exchange, hypothecation, transfer, encumbrance or disposition in violation of this Agreement shall be void and the Company Group shall not be bound thereby.
8. **CAPITAL ADJUSTMENTS AND REORGANIZATIONS.** The existence of the Performance Shares shall not affect in any way the right or power of the Company or any company the stock of which is awarded pursuant to the Agreement to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or its business, engage in any merger or consolidation, issue any debt or equity securities, dissolve or liquidate, or sell, lease, exchange or otherwise dispose of all or any part of its assets or business, or engage in any other corporate act or proceeding.
9. **PERFORMANCE SHARES DO NOT AWARD CERTAIN RIGHTS OF A SHAREHOLDER.** You shall not have the voting rights or any of the other rights, powers or privileges of a holder of the stock of the Company with respect to the Performance Shares that are awarded hereby. Only after Shares are issued in exchange for your rights under this Agreement will you have all of the rights of a shareholder with respect to such Shares.
10. **RIGHTS TO RECEIVE DIVIDEND PAYMENTS.** Cash dividends, stock, and any other property (other than cash) distributed as a dividend or otherwise with respect to any Performance Share shall be accumulated, and shall be subject to restrictions and risk of forfeiture to the same extent as otherwise set forth in this Agreement. The combined value of any such distributions shall be paid to you at the time such restrictions and risk of forfeiture lapse.
11. **EMPLOYMENT RELATIONSHIP.** For purposes of the Agreement, you shall be considered to be in the employment of the Company Group as long as you have an employment relationship with the Company Group. The Committee shall determine any questions as to whether and when there has been a termination of such employment relationship, and the cause of such termination, under the Plan, and the Committee's determination shall be final and binding on all persons.
12. **NOT AN EMPLOYMENT AGREEMENT.** This Agreement is not an employment agreement, and no provision of this Agreement shall be construed or interpreted to create an employment relationship between you and the Company or any Affiliate or guarantee the right to remain employed by the Company or any Affiliate for any specified term.
13. **SECURITIES ACT LEGEND.** If you are or become an officer or affiliate of the Company under the Securities Act of 1933, you consent to the placing on any certificate for the Shares of an appropriate legend restricting resale or other transfer of the Shares except in accordance with such Act and all applicable rules thereunder.
14. **LIMIT OF LIABILITY.** Under no circumstances will the Company or an Affiliate be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any 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.
15. **REGISTRATION.** The Shares that may be issued under the Plan are registered with the Securities and Exchange Commission under a Registration Statement on Form S-8.
16. **SALE OF SECURITIES.** The Shares that may be issued under this Agreement may not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state

securities laws. You also agree that (a) the Company may refuse to cause the transfer of the Shares to be registered on the stock register of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable federal or state securities law and (b) the Company may give related instructions to the transfer agent, if any, to stop registration of the transfer of the Shares.

17. **REIMBURSEMENT OF EXECUTIVE COMPENSATION IN RESTATEMENT SITUATIONS:** 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 payment to you under this Agreement when (a) the award 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 you based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which your cash payment for the relevant period exceeded the lower payment that would have been made based on the restated financial results. If there are multiple performance metrics and one is more readily calculable to determine whether a lower payment should have been made, then the same ratio or percentage applicable for the readily calculable metric shall be applied to the other metric(s) so that the entire award payment is recovered on a pro-rata basis to the event. No reimbursement shall be required if such material restatement was caused by or resulted from any change in accounting policy or rules.
18. **AGREEMENT TO REPAYMENT OF PERFORMANCE BASED INCENTIVE COMPENSATION WHEN PAYMENTS ARE REQUIRED UNDER FEDERAL LAW OR THE RULES OF AN EXCHANGE:** Employee acknowledges that the Company is a publicly-traded entity subject to the laws and regulations of the United States Securities and Exchange Commission, as well as the requirements of the New York Stock Exchange. The Employee further acknowledges that the Company's approved form agreements for performance-based incentive compensation granted to Employee contain certain "clawback" terms and provisions. Employee agrees to the terms and conditions of any policy adopted by the Company to comply with, or any decision of the Company to adhere to, any requirement or policy of the New York Stock Exchange (or any other exchange on which the securities of the Company are listed) pursuant to Section 10D of the Securities Exchange Act of 1934 (the "Policy") from this point forward for any grants made previously or in the future. Section 10D provides for the recovery of incentive-based compensation that has been erroneously granted, earned, vested or paid because of one or more errors that are material in the financial statements of the Company. To the extent such Policy requires the repayment or recovery of incentive-based compensation granted to, or earned or received by Employee, or in which the Employee vested, whether granted, vested, earned or paid pursuant to any past or future award agreements or any other plan of incentive-based compensation maintained in the past or adopted in the future by the Company, Employee agrees to the forfeiture, recovery or repayment of such amounts to the extent required by such Policy.
19. **EMPLOYER LIABLE FOR PAYMENT.** Except as the Committee may determine otherwise in connection with a Change in Control, the Employer is liable for the payment of any amounts that become due under this Agreement.
20. **SECTION 409A OF THE INTERNAL REVENUE CODE.** This Agreement and all payments made hereunder, are intended to meet the short-term deferral exception described under section 1.409A-1(b)(4) of the applicable Treasury regulations, or otherwise comply with, Section 409A, and this Agreement shall be interpreted so as to effect that intent. By accepting this Award, you acknowledge and agree that (a) you are not relying upon any written or oral statement or oral statement or representation of the Company, its Affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "*Company Parties*") regarding the tax effects associated with execution of this Agreement and the Shares issued or Cash Payment made pursuant to the Plan, and

(b) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. By accepting this Award, you thereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with the Award and this Agreement.

21. **DELAYED PAYMENT IN CERTAIN CIRCUMSTANCES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IF YOU ARE A SPECIFIED EMPLOYEE (WITHIN THE MEANING OF SECTION 409A) AND THE COMPANY DETERMINES THAT A PAYMENT HEREUNDER IS NOT PERMITTED TO BE PAID ON THE DATE SPECIFIED WITHOUT THE IMPOSITION OF ADDITIONAL TAXES, INTEREST OR PENALTIES UNDER SECTION 409A, THEN NO PAYMENTS SHALL BE MADE TO YOU PURSUANT TO THIS AWARD DUE TO A SEPARATION FROM SERVICE FOR ANY REASON BEFORE THE EARLIER OF THE DATE THAT IS SIX MONTHS AND A DAY AFTER THE DATE ON WHICH YOU INCUR SUCH SEPARATION FROM SERVICE OR FIVE BUSINESS DAYS FOLLOWING THE DATE OF YOUR DEATH.**
22. **PAYMENT TO RABBI TRUST IN CONNECTION WITH DELAYED PAYMENT.** If the Company determines in its sole discretion that you are a Specified Employee as of any Payment Date and that Section 409A applies as set forth in Section 20 of this Agreement, then any such portion payable during the Six-Month Delay Period shall be transferred to a rabbi trust (which shall be a rabbi trust previously created by the Company that contains other amounts of deferred compensation payable by the Company or a rabbi trust created by the Company or its successor) as soon as administratively feasible following the occurrence of the event giving rise to your right to such payment, except to the extent such transfer would subject you to penalties under the funding restriction provisions of Section 409A, as amended by the Pension Protection Act of 2006, and such amounts (together with earnings thereon determined in accordance with the terms of the trust agreement) shall be transferred from the trust to you upon the earlier of (i) the expiration of the Six-Month Delay Period, or (ii) any other earlier date permitted under Section 409A.
23. **TAX-BASED PROGRAM CRITERIA.** The Plan is designed to conform to the requirements of Section 162(m) of the Internal Revenue Code, which limits the amount the Company can deduct for non-performance-based compensation. Performance-based compensation meeting the requirements of the Internal Revenue Code is not subject to this limit. The Award granted hereby is intended to meet these requirements so that the Company can deduct this element of compensation.
24. **FRACTIONAL SHARES PAID IN CASH.** In the event any share of Common Stock due hereunder is a fractional share, the Company shall pay the value of such fractional share in cash.
25. **MISCELLANEOUS.** This Agreement is awarded pursuant to and is subject to all of the provisions of the Plan, including amendments to the Plan, if any. In the event of a conflict between this Agreement and the Plan provisions, the Plan provisions will control. The term “you” and “your” refer to the Grantee named in this Agreement. Capitalized terms that are not defined herein shall have the meanings ascribed to such terms in the Plan. This Agreement shall be binding on all successors and assigns of the Company.

In accepting the award of Performance Shares set forth in this Agreement you accept and agree to be bound by all the terms and conditions of the Plan and this Agreement.

**QUANEX BUILDING
PRODUCTS CORPORATION**

[Name and Title of Executing Officer]

AGREED AND ACCEPTED:

Name *(please print)*:

QUANEX BUILDING PRODUCTS CORPORATION

EMPLOYEE
STOCK AND/OR CASH SETTLED
PERFORMANCE UNIT AWARD AGREEMENT

<<Name>>
Grantee

Date of Award: <<_____>>
 Number of Performance Units Granted: <<_____>>
 Target Value of Performance Units: <<_____>>

AWARD OF PERFORMANCE UNITS

1. **GRANT OF PERFORMANCE UNITS.** The Compensation Committee (the “Committee”) of the Board of Directors of Quanex Building Products Corporation, a Delaware corporation (the “Company”), subject to the terms and provisions of the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended (the “Plan”), hereby awards to you, the above-named Grantee, effective as of the Date of Award set forth above, the number of Performance Units set forth above in accordance with the formulas below, on the terms and conditions set forth in this Performance Unit Award Agreement (this “Agreement”).

Each Performance Unit provides you an opportunity to receive shares of the Company’s common stock, \$0.01 par value per share (the “Common Stock”) and/or to earn a cash payment based upon attainment of the Performance Goals during the Performance Period. For purposes of this Agreement, the term “Performance Period” means the []-year period beginning [], and ending [] (the “Ending Date”) and the term “Performance Goals” means the attainment of the following goals:

	<u>[Performance Goal A]1</u>	<u>[Performance Goal B]</u>
Maximum Milestone	[]	[]
Target Milestone	[]	[]
Threshold Milestone	[]	[]

This Award shall “vest” on the date on which the Committee certifies that the Performance Goals have been satisfied or, if earlier, on the date you are otherwise entitled to receive a payment under Section 5 of this Agreement. The Target Value of each Performance Unit shall be equal to \$[].

¹ This chart, and the use of the terms “Performance Goal A” and “Performance Goal B” throughout this model form, are for illustration purposes only. The number of separate performance goals to be used, the values and milestones attributable to each performance goal, and the specific performance criteria underlying each performance goal, will be determined by the Committee in connection with each grant of Performance Units.

Employee

2. **AWARD MODIFIER.** The value of the Performance Units granted hereby shall be the Target Value set forth above multiplied by the award modifier set forth below (the “Award Modifier”). For purposes of this Agreement, this value shall be referred to as the “Vested Value”.

[Performance Goal A]

[]% of the Award Modifier will be determined based on [Performance Goal A].

The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal A]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

Performance below the threshold milestone will result in 0% Award Modifier for this portion of the award. The Award Modifier will be interpolated for performance between threshold and target milestones, and target and maximum milestones.

[Performance Goal B]

The final []% of the Award Modifier will be determined based on [Performance Goal B]. The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal B]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

The Committee’s determinations with respect to the Performance Period for purposes of this Agreement shall be binding upon all persons. The Committee may decrease, but may not increase the amount payable under this Agreement.

3. **PAYMENT.** The total value (the “Earned Amount”) owed to you in connection with this Agreement will be determined by multiplying the number of Performance Units by the Vested Value. Except as otherwise expressly provided herein, the total value owed to you based on the calculations set forth above will be paid to you []% in cash (the “Cash Payment”) and []% in common stock of the Company (the “Stock Issuance”).

Stock Issuance

The number of shares (if any) to be issued in connection with the Stock Issuance (the “Shares”) shall be calculated by multiplying the Earned Amount by []%, and then dividing this number by the average Fair Market Value of the Common Stock for the last ten trading days immediately prior to the Ending Date.

Cash Payment

The amount of cash (if any) to be issued in connection with the Cash Payment shall be calculated by multiplying the Earned Amount by []%.

Any amount payable to you pursuant to this Agreement will be paid to you by the legal entity that is a member of the Company Group (as defined below) and that is classified as your employer (the "Employer") as soon as administratively practicable following the date of the Committee's certification that the Performance Goals have been satisfied, but no later than March 15 of the calendar year following the calendar year in which the Ending Date occurs (the "Payment Date"). With respect to the Stock Issuance (if any), the Company, on behalf of the Employer, shall cause the Shares to be issued to you on the Payment Date. The Shares that may be issued to you under this Agreement, and the Cash Payment made to you under this Agreement, will be issued and made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement.

Upon the issuance of Shares pursuant to this Agreement, such Shares shall be transferable by you (except to the extent that any proposed transfer would, in the opinion of counsel satisfactory to the Company, constitute a violation of applicable federal or state securities law).

4. EXAMPLE CALCULATION

Assume the following:

- Performance Unit Grant of 1,000 units
- Threshold, Target, and Maximum Award Modifiers of 50%, 100%, and 200% respectively
- [Performance Goal A] performance at [] (precisely halfway between the Target and Maximum Milestones)
- Performance of [] for [Performance Goal B] (precisely the Target Milestone)
- Performance Goals are equally weighted.
- Payment is to be made 50% in Cash and 50% in Common Stock
- Target Value is \$100
- The average Fair Market Value of the Common Stock for the last ten trading days immediately prior to the Ending Date is \$25

The total value of Performance Units to vest would be the following:

[Performance Goal A] Award Modifier:

500 Performance Units x 150% Award Modifier x \$100 = \$75,000 in value

[Performance Goal B] Award Modifier:

500 Performance Units x 100% Award Modifier x \$100 = \$50,000 in value

Total Value of Vested Performance Units = \$125,000

Example Payment of Performance Unit Value

The executive will receive \$62,500 in cash. The executive will also receive 2,500 shares of Common Stock (\$62,500 in value divided by \$25 average Fair Market Value of Common Stock).

5. **SEPARATION FROM SERVICE/CHANGE IN CONTROL OF THE COMPANY.** Notwithstanding anything to the contrary in this Agreement, the following provisions will apply in the event of your Separation from Service (within the meaning of Section 409A (your “*Separation from Service*”)) from the Company Group before the Ending Date.

5.1 **Separation from Service Generally.** Except as otherwise expressly provided to the contrary in this Section 5, in the event of your Separation from Service before the Ending Date, all of your rights in this Agreement, including all rights to the Performance Units granted to you, will lapse and be completely forfeited without consideration on the date of your Separation from Service.

5.2 **Disability.** In the event of your Separation from Service due to your Disability before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period; and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.2 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Units or this Agreement.

5.3 **Death.** In the event of your Separation from Service due to your death before the Ending Date, (a) the Company will issue to your estate shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to your estate a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.3 will be paid by the Employer to your estate on the Payment Date. Such payment will be made in exchange for the Performance Units and thereafter your estate and heirs, executors, and administrators shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations pursuant to the Performance Units or this Agreement.

5.4 **Retirement.** In the event of your Separation from Service due to your Retirement before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement

if you had not if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.4 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Units or this Agreement. For purposes of this Section 5.4 "Retirement" means your voluntary Separation from Service on or after the date on which (a) you are age 65 or (b) you are age 55 and have five years of service with the Company Group.

6. **TAX WITHHOLDING.** To the extent that the issuance of Shares or any payment pursuant to this Agreement results in income, wages or other compensation to you for any income, employment or other tax purposes with respect to which the Company or the Employer has a withholding obligation, you shall deliver to the Company or the Employer, as applicable, at the time of such receipt, issuance, or payment, as the case may be, such amount of money as the Company or the Employer may require to meet its obligation under applicable tax laws or regulations, and, if you fail to do so, the Company or the Employer, as applicable, is authorized to withhold from any payment or issuance of shares under this Agreement, or from any cash or stock remuneration or other payment then or thereafter payable to you by the Company or the Employer, any tax required to be withheld by reason of such taxable income, wages or compensation including (without limitation) shares of Common Stock sufficient to satisfy the withholding obligation based on the last per share sales price of the Common Stock for the trading day immediately preceding the date that the withholding obligation arises, as reported in the New York Stock Exchange Composite Transactions.
7. **NONTRANSFERABILITY.** The Performance Units and your rights under this Agreement may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of. Any such attempted sale, assignment, pledge, exchange, hypothecation, transfer, encumbrance or disposition in violation of this Agreement shall be void and the Company Group shall not be bound thereby.
8. **CAPITAL ADJUSTMENTS AND REORGANIZATIONS.** The existence of the Performance Units shall not affect in any way the right or power of the Company or any company the stock of which is awarded pursuant to the Agreement to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or its business, engage in any merger or consolidation, issue any debt or equity securities, dissolve or liquidate, or sell, lease, exchange or otherwise dispose of all or any part of its assets or business, or engage in any other corporate act or proceeding.
9. **PERFORMANCE UNITS DO NOT AWARD CERTAIN RIGHTS OF A SHAREHOLDER.** You shall not have the voting rights or any of the other rights, powers or privileges of a holder of the stock of the Company with respect to the Performance Units that are awarded hereby. Only after Shares are issued in exchange for your rights under this Agreement will you have all of the rights of a shareholder with respect to such Shares.
10. **RIGHTS TO RECEIVE DIVIDEND PAYMENTS.** Cash dividends, stock, and any other property (other than cash) distributed as a dividend or otherwise with respect to any Performance Unit shall be

accumulated, and shall be subject to restrictions and risk of forfeiture to the same extent as otherwise set forth in this Agreement. The combined value of any such distributions shall be paid to you at the time such restrictions and risk of forfeiture lapse.

11. **EMPLOYMENT RELATIONSHIP.** For purposes of the Agreement, you shall be considered to be in the employment of the Company Group as long as you have an employment relationship with the Company Group. The Committee shall determine any questions as to whether and when there has been a termination of such employment relationship, and the cause of such termination, under the Plan, and the Committee's determination shall be final and binding on all persons.
12. **NOT AN EMPLOYMENT AGREEMENT.** This Agreement is not an employment agreement, and no provision of this Agreement shall be construed or interpreted to create an employment relationship between you and the Company or any Affiliate or guarantee the right to remain employed by the Company or any Affiliate for any specified term.
13. **SECURITIES ACT LEGEND.** If you are or become an officer or affiliate of the Company under the Securities Act of 1933, you consent to the placing on any certificate for the Shares of an appropriate legend restricting resale or other transfer of the Shares except in accordance with such Act and all applicable rules thereunder.
14. **LIMIT OF LIABILITY.** Under no circumstances will the Company or an Affiliate be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any 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.
15. **REGISTRATION.** The Shares that may be issued under the Plan are registered with the Securities and Exchange Commission under a Registration Statement on Form S-8.
16. **SALE OF SECURITIES.** The Shares that may be issued under this Agreement may not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. You also agree that (a) the Company may refuse to cause the transfer of the Shares to be registered on the stock register of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable federal or state securities law and (b) the Company may give related instructions to the transfer agent, if any, to stop registration of the transfer of the Shares.
17. **REIMBURSEMENT OF EXECUTIVE COMPENSATION IN RESTATEMENT SITUATIONS:** 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 payment to you under this Agreement when (a) the award 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 you based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which your cash payment for the relevant period exceeded the lower payment that would have been made based on the restated financial results. If there are multiple performance metrics and one is more readily calculable to determine whether a lower payment should have been made, then the same ratio or percentage applicable for the readily calculable metric shall be applied to the other metric(s) so that the entire award payment is recovered on a pro-rata basis to the event. No reimbursement shall be required if such material restatement was caused by or resulted from any change in accounting policy or rules.

18. **AGREEMENT TO REPAYMENT OF PERFORMANCE BASED INCENTIVE COMPENSATION WHEN PAYMENTS ARE REQUIRED UNDER FEDERAL LAW OR THE RULES OF AN EXCHANGE:** Employee acknowledges that the Company is a publicly-traded entity subject to the laws and regulations of the United States Securities and Exchange Commission, as well as the requirements of the New York Stock Exchange. The Employee further acknowledges that the Company's approved form agreements for performance-based incentive compensation granted to Employee contain certain "clawback" terms and provisions. Employee agrees to the terms and conditions of any policy adopted by the Company to comply with, or any decision of the Company to adhere to, any requirement or policy of the New York Stock Exchange (or any other exchange on which the securities of the Company are listed) pursuant to Section 10D of the Securities Exchange Act of 1934 (the "Policy") from this point forward for any grants made previously or in the future. Section 10D provides for the recovery of incentive-based compensation that has been erroneously granted, earned, vested or paid because of one or more errors that are material in the financial statements of the Company. To the extent such Policy requires the repayment or recovery of incentive-based compensation granted to, or earned or received by Employee, or in which the Employee vested, whether granted, vested, earned or paid pursuant to any past or future award agreements or any other plan of incentive-based compensation maintained in the past or adopted in the future by the Company, Employee agrees to the forfeiture, recovery or repayment of such amounts to the extent required by such Policy.
19. **EMPLOYER LIABLE FOR PAYMENT.** Except as the Committee may determine otherwise in connection with a Change in Control, the Employer is liable for the payment of any amounts that become due under this Agreement.
20. **SECTION 409A OF THE INTERNAL REVENUE CODE.** This Agreement and all payments made hereunder, are intended to meet the short-term deferral exception described under section 1.409A-1(b)(4) of the applicable Treasury regulations, or otherwise comply with, Section 409A, and this Agreement shall be interpreted so as to effect that intent. By accepting this Award, you acknowledge and agree that (a) you are not relying upon any written or oral statement or oral statement or representation of the Company, its Affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "Company Parties") regarding the tax effects associated with execution of this Agreement and the Shares issued or Cash Payment made pursuant to the Plan, and (b) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. By accepting this Award, you thereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with the Award and this Agreement.
21. **DELAYED PAYMENT IN CERTAIN CIRCUMSTANCES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IF YOU ARE A SPECIFIED EMPLOYEE (WITHIN THE MEANING OF SECTION 409A) AND THE COMPANY DETERMINES THAT A PAYMENT HEREUNDER IS NOT PERMITTED TO BE PAID ON THE DATE SPECIFIED WITHOUT THE IMPOSITION OF ADDITIONAL TAXES, INTEREST OR PENALTIES UNDER SECTION 409A, THEN NO PAYMENTS SHALL BE MADE TO YOU PURSUANT TO THIS AWARD DUE TO A SEPARATION FROM SERVICE FOR ANY REASON BEFORE THE EARLIER OF THE DATE THAT IS SIX MONTHS AND A DAY AFTER THE DATE ON WHICH YOU INCUR SUCH SEPARATION FROM SERVICE OR FIVE BUSINESS DAYS FOLLOWING THE DATE OF YOUR DEATH.**
22. **PAYMENT TO RABBI TRUST IN CONNECTION WITH DELAYED PAYMENT.** If the Company determines in its sole discretion that you are a Specified Employee as of any Payment Date and that Section 409A applies as set forth in Section 20 of this Agreement, then any such portion

payable during the Six-Month Delay Period shall be transferred to a rabbi trust (which shall be a rabbi trust previously created by the Company that contains other amounts of deferred compensation payable by the Company or a rabbi trust created by the Company or its successor) as soon as administratively feasible following the occurrence of the event giving rise to your right to such payment, except to the extent such transfer would subject you to penalties under the funding restriction provisions of Section 409A, as amended by the Pension Protection Act of 2006, and such amounts (together with earnings thereon determined in accordance with the terms of the trust agreement) shall be transferred from the trust to you upon the earlier of (i) the expiration of the Six-Month Delay Period, or (ii) any other earlier date permitted under Section 409A.

23. **TAX-BASED PROGRAM CRITERIA.** The Plan is designed to conform to the requirements of Section 162(m) of the Internal Revenue Code, which limits the amount the Company can deduct for non-performance-based compensation. Performance-based compensation meeting the requirements of the Internal Revenue Code is not subject to this limit. The Award granted hereby is intended to meet these requirements so that the Company can deduct this element of compensation.
24. **FRACTIONAL SHARES PAID IN CASH.** In the event any share of Common Stock due hereunder is a fractional share, the Company shall pay the value of such fractional share in cash.
25. **MISCELLANEOUS.** This Agreement is awarded pursuant to and is subject to all of the provisions of the Plan, including amendments to the Plan, if any. In the event of a conflict between this Agreement and the Plan provisions, the Plan provisions will control. The term “you” and “your” refer to the Grantee named in this Agreement. Capitalized terms that are not defined herein shall have the meanings ascribed to such terms in the Plan. This Agreement shall be binding on all successors and assigns of the Company.

In accepting the award of Performance Units set forth in this Agreement you accept and agree to be bound by all the terms and conditions of the Plan and this Agreement.

QUANEX BUILDING PRODUCTS CORPORATION

[Name and Title of Executing Officer]

AGREED AND ACCEPTED:

Name (please print):

QUANEX BUILDING PRODUCTS CORPORATION

**SECTION 16 OFFICER
STOCK AND/OR CASH SETTLED
PERFORMANCE UNIT AWARD AGREEMENT**

<<Name>>
Grantee

Date of Award: <<_____>>
 Number of Performance Units Granted: <<_____>>
 Target Value of Performance Units: <<_____>>

AWARD OF PERFORMANCE UNITS

1. **GRANT OF PERFORMANCE UNITS.** The Compensation Committee (the “*Committee*”) of the Board of Directors of Quanex Building Products Corporation, a Delaware corporation (the “*Company*”), subject to the terms and provisions of the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended (the “*Plan*”), hereby awards to you, the above-named Grantee, effective as of the Date of Award set forth above, the number of Performance Units set forth above in accordance with the formulas below, on the terms and conditions set forth in this Performance Unit Award Agreement (this “*Agreement*”).

Each Performance Unit provides you an opportunity to receive shares of the Company’s common stock, \$0.01 par value per share (the “*Common Stock*”) and/or to earn a cash payment based upon attainment of the Performance Goals during the Performance Period. For purposes of this Agreement, the term “*Performance Period*” means the []-year period beginning [], and ending [] (the “*Ending Date*”) and the term “*Performance Goals*” means the attainment of the following goals:

	<u>[Performance Goal A]1</u>	<u>[Performance Goal B]</u>
Maximum Milestone	[]	[]
Target Milestone	[]	[]
Threshold Milestone	[]	[]

This Award shall “vest” on the date on which the Committee certifies that the Performance Goals have been satisfied or, if earlier, on the date you are otherwise entitled to receive a payment under Section 5 of this Agreement. The Target Value of each Performance Unit shall be equal to \$[].

¹ This chart, and the use of the terms “Performance Goal A” and “Performance Goal B” throughout this model form, are for illustration purposes only. The number of separate performance goals to be used, the values and milestones attributable to each performance goal, and the specific performance criteria underlying each performance goal, will be determined by the Committee in connection with each grant of Performance Units.

Section 16 Officer

2. **AWARD MODIFIER.** The value of the Performance Units granted hereby shall be the Target Value set forth above multiplied by the award modifier set forth below (the “Award Modifier”). For purposes of this Agreement, this value shall be referred to as the “Vested Value”.

[Performance Goal A]

[]% of the Award Modifier will be determined based on [Performance Goal A].

The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal A]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

Performance below the threshold milestone will result in 0% Award Modifier for this portion of the award. The Award Modifier will be interpolated for performance between threshold and target milestones, and target and maximum milestones.

[Performance Goal B]

The final []% of the Award Modifier will be determined based on [Performance Goal B]. The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal B]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

The Committee’s determinations with respect to the Performance Period for purposes of this Agreement shall be binding upon all persons. The Committee may decrease, but may not increase the amount payable under this Agreement.

3. **PAYMENT.** The total value (the “Earned Amount”) owed to you in connection with this Agreement will be determined by multiplying the number of Performance Units by the Vested Value. Except as otherwise expressly provided herein, the total value owed to you based on the calculations set forth above will be paid to you []% in cash (the “Cash Payment”) and []% in common stock of the Company (the “Stock Issuance”).

Stock Issuance

The number of shares (if any) to be issued in connection with the Stock Issuance (the “Shares”) shall be calculated by multiplying the Earned Amount by []%, and then dividing this number by the average Fair Market Value of the Common Stock for the last ten trading days immediately prior to the Ending Date.

Cash Payment

The amount of cash (if any) to be issued in connection with the Cash Payment shall be calculated by multiplying the Earned Amount by []%.

Any amount payable to you pursuant to this Agreement will be paid to you by the legal entity that is a member of the Company Group (as defined below) and that is classified as your employer (the "Employer") as soon as administratively practicable following the date of the Committee's certification that the Performance Goals have been satisfied, but no later than March 15 of the calendar year following the calendar year in which the Ending Date occurs (the "Payment Date"). With respect to the Stock Issuance (if any), the Company, on behalf of the Employer, shall cause the Shares to be issued to you on the Payment Date. The Shares that may be issued to you under this Agreement, and the Cash Payment made to you under this Agreement, will be issued and made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement.

Upon the issuance of Shares pursuant to this Agreement, such Shares shall be transferable by you (except to the extent that any proposed transfer would, in the opinion of counsel satisfactory to the Company, constitute a violation of applicable federal or state securities law).

4. EXAMPLE CALCULATION

Assume the following:

- Performance Unit Grant of 1,000 units
- Threshold, Target, and Maximum Award Modifiers of 50%, 100%, and 200% respectively
- [Performance Goal A] performance at [] (precisely halfway between the Target and Maximum Milestones)
- Performance of [] for [Performance Goal B] (precisely the Target Milestone)
- Performance Goals are equally weighted.
- Payment is to be made 50% in Cash and 50% in Common Stock
- Target Value is \$100
- The average Fair Market Value of the Common Stock for the last ten trading days immediately prior to the Ending Date is \$25

The total value of Performance Units to vest would be the following:

[Performance Goal A] Award Modifier:

500 Performance Units x 150% Award Modifier x \$100 = \$75,000 in value

[Performance Goal B] Award Modifier:

500 Performance Units x 100% Award Modifier x \$100 = \$50,000 in value

Total Value of Vested Performance Units = \$125,000

Example Payment of Performance Unit Value

The executive will receive \$62,500 in cash. The executive will also receive 2,500 shares of Common Stock (\$62,500 in value divided by \$25 average Fair Market Value of Common Stock).

5. **SEPARATION FROM SERVICE/CHANGE IN CONTROL OF THE COMPANY.** Notwithstanding anything to the contrary in this Agreement, the following provisions will apply in the event of your Separation from Service (within the meaning of Section 409A (your “*Separation from Service*”)) from the Company Group, or a Change in Control of the Company occurs, before the Ending Date. For purposes of this Agreement, a “*Change in Control*” of the Company shall have the meaning ascribed to such term in the Change in Control Agreement between you and the Company.

5.1 **Separation from Service Generally.** Except as otherwise expressly provided to the contrary in this Section 5, in the event of your Separation from Service before the Ending Date, all of your rights in this Agreement, including all rights to the Performance Units granted to you, will lapse and be completely forfeited without consideration on the date of your Separation from Service.

5.2 **Change in Control of the Company.** If a Change in Control of the Company occurs on or before the Ending Date, you do not incur a Separation from Service prior to that time, and the successor company in the Change in Control does not otherwise assume or substitute for the award granted hereby, then ten (10) business days after the closing date of the Change in Control of the Company, the Company or its successor will pay to you an amount in cash equal to the product of the Company’s closing stock price on the date of the Change in Control multiplied by the number of Performance Units that were awarded to you under this Agreement for the year in which the Change in Control of the Company occurs (the “*Award Target Value*”) and (b) a fraction, the numerator of which is the number of years through the closing date of the Change in Control of the Company in the Performance Period (rounded up to the nearest full year) and the denominator of which is the number of years in the current Performance Period. Such payment will be made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Units or this Agreement. Notwithstanding anything to the contrary contained in this Agreement or the Plan, if following the commencement of any discussion with a third person that ultimately results in a Change in Control of the Company, (i) your employment with the Company is terminated, (ii) you are removed from any material duties or position with the Company, (iii) your base salary is reduced, or (iv) your target annual bonus is reduced to an amount less than the target bonus paid to you during the previous fiscal year, then for all purposes of this Agreement, such Change in Control of the Company shall be deemed to have occurred on the date immediately prior to the date of such termination, removal, or reduction.

5.3 **Disability.** In the event of your Separation from Service due to your Disability before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period; and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any

amount payable pursuant to this Section 5.3 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Units or this Agreement.

5.4 **Death.** In the event of your Separation from Service due to your death before the Ending Date, (a) the Company will issue to your estate shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to your estate a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.4 will be paid by the Employer to your estate on the Payment Date. Such payment will be made in exchange for the Performance Units and thereafter your estate and heirs, executors, and administrators shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations pursuant to the Performance Units or this Agreement.

5.5 **Retirement.** In the event of your Separation from Service due to your Retirement before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.5 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Units or this Agreement. For purposes of this Section 5.5 “*Retirement*” means your voluntary Separation from Service on or after the date on which (a) you are age 65 or (b) you are age 55 and have five years of service with the Company Group.

6. **TAX WITHHOLDING.** To the extent that the issuance of Shares or any payment pursuant to this Agreement results in income, wages or other compensation to you for any income, employment or other tax purposes with respect to which the Company or the Employer has a withholding obligation, you shall deliver to the Company or the Employer, as applicable, at the time of such receipt, issuance, or payment, as the case may be, such amount of money as the Company or the Employer may require to meet its obligation under applicable tax laws or regulations, and, if you fail to do so, the Company or the Employer, as applicable, is authorized to withhold from any payment or issuance of shares under this Agreement, or from any cash or stock remuneration or other payment then or thereafter payable to you by the Company or the Employer, any tax required to be withheld by reason of such taxable income, wages or compensation including (without limitation) shares of Common Stock sufficient to satisfy the withholding obligation based on the last per share sales price of the Common Stock for the trading day immediately preceding the date that the withholding obligation arises, as reported in the New York Stock Exchange Composite Transactions.

7. **NONTRANSFERABILITY.** The Performance Units and your rights under this Agreement may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of. Any such attempted sale, assignment, pledge, exchange, hypothecation, transfer, encumbrance or disposition in violation of this Agreement shall be void and the Company Group shall not be bound thereby.
8. **CAPITAL ADJUSTMENTS AND REORGANIZATIONS.** The existence of the Performance Units shall not affect in any way the right or power of the Company or any company the stock of which is awarded pursuant to the Agreement to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or its business, engage in any merger or consolidation, issue any debt or equity securities, dissolve or liquidate, or sell, lease, exchange or otherwise dispose of all or any part of its assets or business, or engage in any other corporate act or proceeding.
9. **PERFORMANCE UNITS DO NOT AWARD CERTAIN RIGHTS OF A SHAREHOLDER.** You shall not have the voting rights or any of the other rights, powers or privileges of a holder of the stock of the Company with respect to the Performance Units that are awarded hereby. Only after Shares are issued in exchange for your rights under this Agreement will you have all of the rights of a shareholder with respect to such Shares.
10. **RIGHTS TO RECEIVE DIVIDEND PAYMENTS.** Cash dividends, stock, and any other property (other than cash) distributed as a dividend or otherwise with respect to any Performance Unit shall be accumulated, and shall be subject to restrictions and risk of forfeiture to the same extent as otherwise set forth in this Agreement. The combined value of any such distributions shall be paid to you at the time such restrictions and risk of forfeiture lapse.
11. **EMPLOYMENT RELATIONSHIP.** For purposes of the Agreement, you shall be considered to be in the employment of the Company Group as long as you have an employment relationship with the Company Group. The Committee shall determine any questions as to whether and when there has been a termination of such employment relationship, and the cause of such termination, under the Plan, and the Committee's determination shall be final and binding on all persons.
12. **NOT AN EMPLOYMENT AGREEMENT.** This Agreement is not an employment agreement, and no provision of this Agreement shall be construed or interpreted to create an employment relationship between you and the Company or any Affiliate or guarantee the right to remain employed by the Company or any Affiliate for any specified term.
13. **SECURITIES ACT LEGEND.** If you are or become an officer or affiliate of the Company under the Securities Act of 1933, you consent to the placing on any certificate for the Shares of an appropriate legend restricting resale or other transfer of the Shares except in accordance with such Act and all applicable rules thereunder.
14. **LIMIT OF LIABILITY.** Under no circumstances will the Company or an Affiliate be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any 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.
15. **REGISTRATION.** The Shares that may be issued under the Plan are registered with the Securities and Exchange Commission under a Registration Statement on Form S-8.

16. **SALE OF SECURITIES.** The Shares that may be issued under this Agreement may not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. You also agree that (a) the Company may refuse to cause the transfer of the Shares to be registered on the stock register of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable federal or state securities law and (b) the Company may give related instructions to the transfer agent, if any, to stop registration of the transfer of the Shares.
17. **REIMBURSEMENT OF EXECUTIVE COMPENSATION IN RESTATEMENT SITUATIONS:** 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 payment to you under this Agreement when (a) the award 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 you based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which your cash payment for the relevant period exceeded the lower payment that would have been made based on the restated financial results. If there are multiple performance metrics and one is more readily calculable to determine whether a lower payment should have been made, then the same ratio or percentage applicable for the readily calculable metric shall be applied to the other metric(s) so that the entire award payment is recovered on a pro-rata basis to the event. No reimbursement shall be required if such material restatement was caused by or resulted from any change in accounting policy or rules.
18. **AGREEMENT TO REPAYMENT OF PERFORMANCE BASED INCENTIVE COMPENSATION WHEN PAYMENTS ARE REQUIRED UNDER FEDERAL LAW OR THE RULES OF AN EXCHANGE:** Employee acknowledges that the Company is a publicly-traded entity subject to the laws and regulations of the United States Securities and Exchange Commission, as well as the requirements of the New York Stock Exchange. The Employee further acknowledges that the Company's approved form agreements for performance-based incentive compensation granted to Employee contain certain "clawback" terms and provisions. Employee agrees to the terms and conditions of any policy adopted by the Company to comply with, or any decision of the Company to adhere to, any requirement or policy of the New York Stock Exchange (or any other exchange on which the securities of the Company are listed) pursuant to Section 10D of the Securities Exchange Act of 1934 (the "Policy") from this point forward for any grants made previously or in the future. Section 10D provides for the recovery of incentive-based compensation that has been erroneously granted, earned, vested or paid because of one or more errors that are material in the financial statements of the Company. To the extent such Policy requires the repayment or recovery of incentive-based compensation granted to, or earned or received by Employee, or in which the Employee vested, whether granted, vested, earned or paid pursuant to any past or future award agreements or any other plan of incentive-based compensation maintained in the past or adopted in the future by the Company, Employee agrees to the forfeiture, recovery or repayment of such amounts to the extent required by such Policy.
19. **EMPLOYER LIABLE FOR PAYMENT.** Except as the Committee may determine otherwise in connection with a Change in Control, the Employer is liable for the payment of any amounts that become due under this Agreement.
20. **SECTION 409A OF THE INTERNAL REVENUE CODE.** This Agreement and all payments made hereunder, are intended to meet the short-term deferral exception described under section 1.409A-1(b)(4) of the applicable Treasury regulations, or otherwise comply with, Section 409A, and this Agreement shall be interpreted so as to effect that intent. By accepting this Award, you acknowledge and agree that (a) you are not relying upon any written or oral statement or oral statement or representation of the Company, its Affiliates, or any of their respective employees, directors, officers,

attorneys or agents (collectively, the “*Company Parties*”) regarding the tax effects associated with execution of this Agreement and the Shares issued or Cash Payment made pursuant to the Plan, and (b) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. By accepting this Award, you thereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with the Award and this Agreement.

21. **DELAYED PAYMENT IN CERTAIN CIRCUMSTANCES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IF YOU ARE A SPECIFIED EMPLOYEE (WITHIN THE MEANING OF SECTION 409A) AND THE COMPANY DETERMINES THAT A PAYMENT HEREUNDER IS NOT PERMITTED TO BE PAID ON THE DATE SPECIFIED WITHOUT THE IMPOSITION OF ADDITIONAL TAXES, INTEREST OR PENALTIES UNDER SECTION 409A, THEN NO PAYMENTS SHALL BE MADE TO YOU PURSUANT TO THIS AWARD DUE TO A SEPARATION FROM SERVICE FOR ANY REASON BEFORE THE EARLIER OF THE DATE THAT IS SIX MONTHS AND A DAY AFTER THE DATE ON WHICH YOU INCUR SUCH SEPARATION FROM SERVICE OR FIVE BUSINESS DAYS FOLLOWING THE DATE OF YOUR DEATH.**
22. **PAYMENT TO RABBI TRUST IN CONNECTION WITH DELAYED PAYMENT.** If the Company determines in its sole discretion that you are a Specified Employee as of any Payment Date and that Section 409A applies as set forth in Section 20 of this Agreement, then any such portion payable during the Six-Month Delay Period shall be transferred to a rabbi trust (which shall be a rabbi trust previously created by the Company that contains other amounts of deferred compensation payable by the Company or a rabbi trust created by the Company or its successor) as soon as administratively feasible following the occurrence of the event giving rise to your right to such payment, except to the extent such transfer would subject you to penalties under the funding restriction provisions of Section 409A, as amended by the Pension Protection Act of 2006, and such amounts (together with earnings thereon determined in accordance with the terms of the trust agreement) shall be transferred from the trust to you upon the earlier of (i) the expiration of the Six-Month Delay Period, or (ii) any other earlier date permitted under Section 409A.
23. **TAX-BASED PROGRAM CRITERIA.** The Plan is designed to conform to the requirements of Section 162(m) of the Internal Revenue Code, which limits the amount the Company can deduct for non-performance-based compensation. Performance-based compensation meeting the requirements of the Internal Revenue Code is not subject to this limit. The Award granted hereby is intended to meet these requirements so that the Company can deduct this element of compensation.
24. **FRACTIONAL SHARES PAID IN CASH.** In the event any share of Common Stock due hereunder is a fractional share, the Company shall pay the value of such fractional share in cash.

25. **MISCELLANEOUS.** This Agreement is awarded pursuant to and is subject to all of the provisions of the Plan, including amendments to the Plan, if any. In the event of a conflict between this Agreement and the Plan provisions, the Plan provisions will control. The term “you” and “your” refer to the Grantee named in this Agreement. Capitalized terms that are not defined herein shall have the meanings ascribed to such terms in the Plan. This Agreement shall be binding on all successors and assigns of the Company.

In accepting the award of Performance Units set forth in this Agreement you accept and agree to be bound by all the terms and conditions of the Plan and this Agreement.

QUANEX BUILDING PRODUCTS CORPORATION

[Name and Title of Executing Officer]

AGREED AND ACCEPTED:

Name *(please print)*:

QUANEX BUILDING PRODUCTS CORPORATION

**KEY LEADER
STOCK AND/OR CASH SETTLED
PERFORMANCE UNIT AWARD AGREEMENT**

<<Name>>
Grantee

Date of Award: <<_____>>
 Number of Performance Units Granted: <<_____>>
 Target Value of Performance Units: <<_____>>

AWARD OF PERFORMANCE UNITS

1. **GRANT OF PERFORMANCE UNITS.** The Compensation Committee (the “*Committee*”) of the Board of Directors of Quanex Building Products Corporation, a Delaware corporation (the “*Company*”), subject to the terms and provisions of the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended (the “*Plan*”), hereby awards to you, the above-named Grantee, effective as of the Date of Award set forth above, the number of Performance Units set forth above in accordance with the formulas below, on the terms and conditions set forth in this Performance Unit Award Agreement (this “*Agreement*”).

Each Performance Unit provides you an opportunity to receive shares of the Company’s common stock, \$0.01 par value per share (the “*Common Stock*”) and/or to earn a cash payment based upon attainment of the Performance Goals during the Performance Period. For purposes of this Agreement, the term “*Performance Period*” means the []-year period beginning [], and ending [] (the “*Ending Date*”) and the term “*Performance Goals*” means the attainment of the following goals:

	<u>[Performance Goal A]¹</u>	<u>[Performance Goal B]</u>
Maximum Milestone	[]	[]
Target Milestone	[]	[]
Threshold Milestone	[]	[]

This Award shall “vest” on the date on which the Committee certifies that the Performance Goals have been satisfied or, if earlier, on the date you are otherwise entitled to receive a payment under Section 5 of this Agreement. The Target Value of each Performance Unit shall be equal to \$[].

¹ This chart, and the use of the terms “Performance Goal A” and “Performance Goal B” throughout this model form, are for illustration purposes only. The number of separate performance goals to be used, the values and milestones attributable to each performance goal, and the specific performance criteria underlying each performance goal, will be determined by the Committee in connection with each grant of Performance Units.

Key Leader

2. **AWARD MODIFIER.** The value of the Performance Units granted hereby shall be the Target Value set forth above multiplied by the award modifier set forth below (the “Award Modifier”). For purposes of this Agreement, this value shall be referred to as the “Vested Value”.

[Performance Goal A]

[]% of the Award Modifier will be determined based on [Performance Goal A].

The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal A]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

Performance below the threshold milestone will result in 0% Award Modifier for this portion of the award. The Award Modifier will be interpolated for performance between threshold and target milestones, and target and maximum milestones.

[Performance Goal B]

The final []% of the Award Modifier will be determined based on [Performance Goal B]. The following table shows the requisite performance for this portion of the Award.

	<u>Performance Goal B]</u>	<u>Award Modifier</u>
Maximum Milestone	[]	[]%
Target Milestone	[]	[]%
Threshold Milestone	[]	[]%

The Committee’s determinations with respect to the Performance Period for purposes of this Agreement shall be binding upon all persons. The Committee may decrease, but may not increase the amount payable under this Agreement.

3. **PAYMENT.** The total value (the “Earned Amount”) owed to you in connection with this Agreement will be determined by multiplying the number of Performance Units by the Vested Value. Except as otherwise expressly provided herein, the total value owed to you based on the calculations set forth above will be paid to you []% in cash (the “Cash Payment”) and []% in common stock of the Company (the “Stock Issuance”).

Stock Issuance

The number of shares (if any) to be issued in connection with the Stock Issuance (the “Shares”) shall be calculated by multiplying the Earned Amount by []%, and then dividing this number by the average Fair Market Value of the Common Stock for the last ten trading days immediately prior to the Ending Date.

Cash Payment

The amount of cash (if any) to be issued in connection with the Cash Payment shall be calculated by multiplying the Earned Amount by []%.

Any amount payable to you pursuant to this Agreement will be paid to you by the legal entity that is a member of the Company Group (as defined below) and that is classified as your employer (the "Employer") as soon as administratively practicable following the date of the Committee's certification that the Performance Goals have been satisfied, but no later than March 15 of the calendar year following the calendar year in which the Ending Date occurs (the "Payment Date"). With respect to the Stock Issuance (if any), the Company, on behalf of the Employer, shall cause the Shares to be issued to you on the Payment Date. The Shares that may be issued to you under this Agreement, and the Cash Payment made to you under this Agreement, will be issued and made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement.

Upon the issuance of Shares pursuant to this Agreement, such Shares shall be transferable by you (except to the extent that any proposed transfer would, in the opinion of counsel satisfactory to the Company, constitute a violation of applicable federal or state securities law).

4. EXAMPLE CALCULATION

Assume the following:

- Performance Unit Grant of 1,000 units
- Threshold, Target, and Maximum Award Modifiers of 50%, 100%, and 200% respectively
- [Performance Goal A] performance at [] (precisely halfway between the Target and Maximum Milestones)
- Performance of [] for [Performance Goal B] (precisely the Target Milestone)
- Performance Goals are equally weighted.
- Payment is to be made 50% in Cash and 50% in Common Stock
- Target Value is \$100
- The average Fair Market Value of the Common Stock for the last ten trading days immediately prior to the Ending Date is \$25

The total value of Performance Units to vest would be the following:

[Performance Goal A] Award Modifier:

500 Performance Units x 150% Award Modifier x \$100 = \$75,000 in value

[Performance Goal B] Award Modifier:

500 Performance Units x 100% Award Modifier x \$100 = \$50,000 in value

Total Value of Vested Performance Units = \$125,000

Example Payment of Performance Unit Value

The executive will receive \$62,500 in cash. The executive will also receive 2,500 shares of Common Stock (\$62,500 in value divided by \$25 average Fair Market Value of Common Stock).

5. **SEPARATION FROM SERVICE/CHANGE IN CONTROL OF THE COMPANY.** Notwithstanding anything to the contrary in this Agreement, the following provisions will apply in the event of your Separation from Service (within the meaning of Section 409A (your “*Separation from Service*”)) from the Company Group, or a Change in Control of the Company occurs, before the Ending Date. For purposes of this Agreement, a “*Change in Control*” of the Company shall have the meaning ascribed to such term in the Plan.

5.1 **Separation from Service Generally.** Except as otherwise expressly provided to the contrary in this Section 5, in the event of your Separation from Service before the Ending Date, all of your rights in this Agreement, including all rights to the Performance Units granted to you, will lapse and be completely forfeited without consideration on the date of your Separation from Service.

5.2 **Change in Control of the Company.** If a Change in Control of the Company occurs on or before the Ending Date, you do not incur a Separation from Service prior to that time, and the successor company in the Change in Control does not otherwise assume or substitute for the award granted hereby, then ten (10) business days after the closing date of the Change in Control of the Company, the Company or its successor will pay to you an amount in cash equal to the product of the Company’s closing stock price on the date of the Change in Control multiplied by the number of Performance Units that were awarded to you under this Agreement for the year in which the Change in Control of the Company occurs (the “*Award Target Value*”) and (b) a fraction, the numerator of which is the number of years through the closing date of the Change in Control of the Company in the Performance Period (rounded up to the nearest full year) and the denominator of which is the number of years in the current Performance Period. Such payment will be made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Units or this Agreement. Notwithstanding anything to the contrary contained in this Agreement or the Plan, if following the commencement of any discussion with a third person that ultimately results in a Change in Control of the Company, (i) your employment with the Company is terminated, (ii) you are removed from any material duties or position with the Company, (iii) your base salary is reduced, or (iv) your target annual bonus is reduced to an amount less than the target bonus paid to you during the previous fiscal year, then for all purposes of this Agreement, such Change in Control of the Company shall be deemed to have occurred on the date immediately prior to the date of such termination, removal, or reduction.

5.3 **Disability.** In the event of your Separation from Service due to your Disability before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period; and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any

amount payable pursuant to this Section 5.3 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Units or this Agreement.

5.4 **Death.** In the event of your Separation from Service due to your death before the Ending Date, (a) the Company will issue to your estate shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to your estate a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not died before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your death and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.4 will be paid by the Employer to your estate on the Payment Date. Such payment will be made in exchange for the Performance Units and thereafter your estate and heirs, executors, and administrators shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations pursuant to the Performance Units or this Agreement.

5.5 **Retirement.** In the event of your Separation from Service due to your Retirement before the Ending Date, (a) the Company will issue to you shares of Common Stock in an amount equal to the product of (1) and (2) where (1) is the number of Shares you would have received under this Agreement if you had not if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period and (b) the Employer will pay to you a Cash Payment equal to the product of (1) and (2) where (1) is the amount in cash you would have received under this Agreement if you had not incurred a Separation from Service before the Ending Date and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.5 will be paid by the Employer to you on the Payment Date. Such payment will be made to you in exchange for the Performance Units and thereafter you shall have no further rights with respect to such Performance Units or this Agreement and the Company Group will have no further obligations to you pursuant to the Performance Units or this Agreement. For purposes of this Section 5.5 “*Retirement*” means your voluntary Separation from Service on or after the date on which (a) you are age 65 or (b) you are age 55 and have five years of service with the Company Group.

6. **TAX WITHHOLDING.** To the extent that the issuance of Shares or any payment pursuant to this Agreement results in income, wages or other compensation to you for any income, employment or other tax purposes with respect to which the Company or the Employer has a withholding obligation, you shall deliver to the Company or the Employer, as applicable, at the time of such receipt, issuance, or payment, as the case may be, such amount of money as the Company or the Employer may require to meet its obligation under applicable tax laws or regulations, and, if you fail to do so, the Company or the Employer, as applicable, is authorized to withhold from any payment or issuance of shares under this Agreement, or from any cash or stock remuneration or other payment then or thereafter payable to you by the Company or the Employer, any tax required to be withheld by reason of such taxable income, wages or compensation including (without limitation) shares of Common Stock sufficient to satisfy the withholding obligation based on the last per share sales price of the Common Stock for the trading day immediately preceding the date that the withholding obligation arises, as reported in the New York Stock Exchange Composite Transactions.

7. **NONTRANSFERABILITY.** The Performance Units and your rights under this Agreement may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of. Any such attempted sale, assignment, pledge, exchange, hypothecation, transfer, encumbrance or disposition in violation of this Agreement shall be void and the Company Group shall not be bound thereby.
8. **CAPITAL ADJUSTMENTS AND REORGANIZATIONS.** The existence of the Performance Units shall not affect in any way the right or power of the Company or any company the stock of which is awarded pursuant to the Agreement to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or its business, engage in any merger or consolidation, issue any debt or equity securities, dissolve or liquidate, or sell, lease, exchange or otherwise dispose of all or any part of its assets or business, or engage in any other corporate act or proceeding.
9. **PERFORMANCE UNITS DO NOT AWARD CERTAIN RIGHTS OF A SHAREHOLDER.** You shall not have the voting rights or any of the other rights, powers or privileges of a holder of the stock of the Company with respect to the Performance Units that are awarded hereby. Only after Shares are issued in exchange for your rights under this Agreement will you have all of the rights of a shareholder with respect to such Shares.
10. **RIGHTS TO RECEIVE DIVIDEND PAYMENTS.** Cash dividends, stock, and any other property (other than cash) distributed as a dividend or otherwise with respect to any Performance Unit shall be accumulated, and shall be subject to restrictions and risk of forfeiture to the same extent as otherwise set forth in this Agreement. The combined value of any such distributions shall be paid to you at the time such restrictions and risk of forfeiture lapse.
11. **EMPLOYMENT RELATIONSHIP.** For purposes of the Agreement, you shall be considered to be in the employment of the Company Group as long as you have an employment relationship with the Company Group. The Committee shall determine any questions as to whether and when there has been a termination of such employment relationship, and the cause of such termination, under the Plan, and the Committee's determination shall be final and binding on all persons.
12. **NOT AN EMPLOYMENT AGREEMENT.** This Agreement is not an employment agreement, and no provision of this Agreement shall be construed or interpreted to create an employment relationship between you and the Company or any Affiliate or guarantee the right to remain employed by the Company or any Affiliate for any specified term.
13. **SECURITIES ACT LEGEND.** If you are or become an officer or affiliate of the Company under the Securities Act of 1933, you consent to the placing on any certificate for the Shares of an appropriate legend restricting resale or other transfer of the Shares except in accordance with such Act and all applicable rules thereunder.
14. **LIMIT OF LIABILITY.** Under no circumstances will the Company or an Affiliate be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any 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.
15. **REGISTRATION.** The Shares that may be issued under the Plan are registered with the Securities and Exchange Commission under a Registration Statement on Form S-8.

16. **SALE OF SECURITIES.** The Shares that may be issued under this Agreement may not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. You also agree that (a) the Company may refuse to cause the transfer of the Shares to be registered on the stock register of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable federal or state securities law and (b) the Company may give related instructions to the transfer agent, if any, to stop registration of the transfer of the Shares.
17. **REIMBURSEMENT OF EXECUTIVE COMPENSATION IN RESTATEMENT SITUATIONS:** 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 payment to you under this Agreement when (a) the award 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 you based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which your cash payment for the relevant period exceeded the lower payment that would have been made based on the restated financial results. If there are multiple performance metrics and one is more readily calculable to determine whether a lower payment should have been made, then the same ratio or percentage applicable for the readily calculable metric shall be applied to the other metric(s) so that the entire award payment is recovered on a pro-rata basis to the event. No reimbursement shall be required if such material restatement was caused by or resulted from any change in accounting policy or rules.
18. **AGREEMENT TO REPAYMENT OF PERFORMANCE BASED INCENTIVE COMPENSATION WHEN PAYMENTS ARE REQUIRED UNDER FEDERAL LAW OR THE RULES OF AN EXCHANGE:** Employee acknowledges that the Company is a publicly-traded entity subject to the laws and regulations of the United States Securities and Exchange Commission, as well as the requirements of the New York Stock Exchange. The Employee further acknowledges that the Company's approved form agreements for performance-based incentive compensation granted to Employee contain certain "clawback" terms and provisions. Employee agrees to the terms and conditions of any policy adopted by the Company to comply with, or any decision of the Company to adhere to, any requirement or policy of the New York Stock Exchange (or any other exchange on which the securities of the Company are listed) pursuant to Section 10D of the Securities Exchange Act of 1934 (the "Policy") from this point forward for any grants made previously or in the future. Section 10D provides for the recovery of incentive-based compensation that has been erroneously granted, earned, vested or paid because of one or more errors that are material in the financial statements of the Company. To the extent such Policy requires the repayment or recovery of incentive-based compensation granted to, or earned or received by Employee, or in which the Employee vested, whether granted, vested, earned or paid pursuant to any past or future award agreements or any other plan of incentive-based compensation maintained in the past or adopted in the future by the Company, Employee agrees to the forfeiture, recovery or repayment of such amounts to the extent required by such Policy.
19. **EMPLOYER LIABLE FOR PAYMENT.** Except as the Committee may determine otherwise in connection with a Change in Control, the Employer is liable for the payment of any amounts that become due under this Agreement.
20. **SECTION 409A OF THE INTERNAL REVENUE CODE.** This Agreement and all payments made hereunder, are intended to meet the short-term deferral exception described under section 1.409A-1(b)(4) of the applicable Treasury regulations, or otherwise comply with, Section 409A, and this Agreement shall be interpreted so as to effect that intent. By accepting this Award, you acknowledge and agree that (a) you are not relying upon any written or oral statement or oral statement or representation of the Company, its Affiliates, or any of their respective employees, directors, officers,

attorneys or agents (collectively, the “*Company Parties*”) regarding the tax effects associated with execution of this Agreement and the Shares issued or Cash Payment made pursuant to the Plan, and (b) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. By accepting this Award, you thereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with the Award and this Agreement.

21. **DELAYED PAYMENT IN CERTAIN CIRCUMSTANCES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IF YOU ARE A SPECIFIED EMPLOYEE (WITHIN THE MEANING OF SECTION 409A) AND THE COMPANY DETERMINES THAT A PAYMENT HEREUNDER IS NOT PERMITTED TO BE PAID ON THE DATE SPECIFIED WITHOUT THE IMPOSITION OF ADDITIONAL TAXES, INTEREST OR PENALTIES UNDER SECTION 409A, THEN NO PAYMENTS SHALL BE MADE TO YOU PURSUANT TO THIS AWARD DUE TO A SEPARATION FROM SERVICE FOR ANY REASON BEFORE THE EARLIER OF THE DATE THAT IS SIX MONTHS AND A DAY AFTER THE DATE ON WHICH YOU INCUR SUCH SEPARATION FROM SERVICE OR FIVE BUSINESS DAYS FOLLOWING THE DATE OF YOUR DEATH.**
22. **PAYMENT TO RABBI TRUST IN CONNECTION WITH DELAYED PAYMENT.** If the Company determines in its sole discretion that you are a Specified Employee as of any Payment Date and that Section 409A applies as set forth in Section 20 of this Agreement, then any such portion payable during the Six-Month Delay Period shall be transferred to a rabbi trust (which shall be a rabbi trust previously created by the Company that contains other amounts of deferred compensation payable by the Company or a rabbi trust created by the Company or its successor) as soon as administratively feasible following the occurrence of the event giving rise to your right to such payment, except to the extent such transfer would subject you to penalties under the funding restriction provisions of Section 409A, as amended by the Pension Protection Act of 2006, and such amounts (together with earnings thereon determined in accordance with the terms of the trust agreement) shall be transferred from the trust to you upon the earlier of (i) the expiration of the Six-Month Delay Period, or (ii) any other earlier date permitted under Section 409A.
23. **TAX-BASED PROGRAM CRITERIA.** The Plan is designed to conform to the requirements of Section 162(m) of the Internal Revenue Code, which limits the amount the Company can deduct for non-performance-based compensation. Performance-based compensation meeting the requirements of the Internal Revenue Code is not subject to this limit. The Award granted hereby is intended to meet these requirements so that the Company can deduct this element of compensation.
24. **FRACTIONAL SHARES PAID IN CASH.** In the event any share of Common Stock due hereunder is a fractional share, the Company shall pay the value of such fractional share in cash.

25. **MISCELLANEOUS.** This Agreement is awarded pursuant to and is subject to all of the provisions of the Plan, including amendments to the Plan, if any. In the event of a conflict between this Agreement and the Plan provisions, the Plan provisions will control. The term “you” and “your” refer to the Grantee named in this Agreement. Capitalized terms that are not defined herein shall have the meanings ascribed to such terms in the Plan. This Agreement shall be binding on all successors and assigns of the Company.

In accepting the award of Performance Units set forth in this Agreement you accept and agree to be bound by all the terms and conditions of the Plan and this Agreement.

**QUANEX BUILDING
PRODUCTS CORPORATION**

[Name and Title of Executing Officer]

AGREED AND ACCEPTED:

Name *(please print)*:

**QUANEX BUILDING PRODUCTS CORPORATION
ANNUAL INCENTIVE AWARD AGREEMENT**

«FIRST_NAME» «MI» «LAST_NAME»
Grantee

Date of Award: << _____ >>
Individual Incentive Target: <<__>>Percent (<<__>>%)
Threshold, Target, and Maximum Milestones, Performance Goals and Weighting Set forth in Exhibit A

ANNUAL INCENTIVE AWARD

1. GRANT OF ANNUAL INCENTIVE AWARD. The Compensation Committee (the “Committee”) of the Board of Directors of Quanex Building Products Corporation, a Delaware corporation (the “Company”), subject to the terms and provisions of the Quanex Building Products Corporation 2008 Omnibus Incentive Plan, as amended (the “Plan”), hereby awards to you, the above-named Grantee, effective as of the Date of Award set forth above, an Annual Incentive Award under the Plan on the terms and conditions set forth in this Annual Incentive Award Agreement (this “Agreement”).

Under this Annual Incentive Award you have an opportunity to earn an incentive cash payment based upon the achievement of the Performance Goals assigned to you by the Committee and set forth on *Exhibit A* attached hereto for the one-year period beginning _____, 20____, and ending _____, 20____ (the “Performance Period”), as compared with the Threshold Milestone, Target Milestone and Maximum Milestone established for you by the Committee for the Performance Period and set forth on *Exhibit A* attached hereto.

2. FUNDING AND DETERMINATION. Notwithstanding anything to the contrary provided herein, in order for any amounts to be paid out in connection with this Agreement, [insert the metric goal that must be achieved for funding of bonus pool] (the “Performance Hurdle”). If the Performance Hurdle is met, then the total bonus pool for all 20____ Annual Incentive Awards is funded at the maximum bonus opportunity level for each grantee of an Annual Incentive Award.

If the Performance Hurdle is met, the Committee will use the framework set forth in *Exhibit A* as a guideline for determining the extent to which Performance Goals were achieved, and your resulting Achieved Annual Incentive.

3. ACHIEVED INDIVIDUAL INCENTIVE. The aggregate amount payable to you under this Agreement as your Annual Incentive Award for the Performance Period is equal to your Achieved Individual Incentive for the Performance Period multiplied by your Salary (as defined below) for the Performance Period. The term “Achieved Individual Incentive” means the amount determined by the Committee using the following guidelines below:

3.1 If (a) the Target Milestones are achieved for the Performance Period (but the Maximum Milestones are not achieved for the Performance Period) and (b) you remain in the active employ of the Company Group through the last day of the Performance Period (except as otherwise provided in this Agreement), then the Achieved Individual Incentive will be equal to the Individual Incentive Target set forth above multiplied by the [number][fraction] _____.

3.2 If (a) the Maximum Milestones are achieved for the Performance Period and (b) you remain in the active employ of the Company Group through the last day of the Performance Period (except as otherwise provided in this Agreement), then the Achieved Individual Incentive will be equal to the Individual Incentive Target set forth above multiplied by [number][fraction] _____.

Annual Incentive Award

3.3 If (a) the Threshold Milestones are achieved for the Performance Period (but the Target Milestones are not achieved for the Performance Period) and (b) you remain in the active employ of the Company Group through the last day of the Performance Period (except as otherwise provided in this Agreement), then the Achieved Individual Incentive will be equal to the Individual Incentive Target set forth above multiplied by [number][fraction] .

3.4 If the performance standard achieved with respect to a particular Performance Goal is between the Threshold Milestone and the Target Milestone or between the Target Milestone and the Maximum Milestone, the applicable Final Performance Factor shall be determined by interpolation.

For example, assume that the Committee grants an employee an annual incentive award under the Plan that is contingent upon achieving Performance Goal A and Performance Goal B, weighting the importance of the goals equally as 50% and 50%, respectively. The Committee establishes Threshold, Target and Maximum Milestones for each Performance Goal. The Individual Incentive Target is 1 if the Target Milestones are met, 2 if the Maximum Milestones are met and $\frac{3}{4}$ if the Threshold Milestones are met. Finally, assume that the employee is awarded an Annual Incentive Award with an Individual Incentive Target of 100%, a Salary of \$100,000 during the Performance Period, is continuously employed by the Company throughout the Performance Period and achieves the Maximum Milestone for Performance Goal A, and precisely halfway between the Target and Maximum Milestones for Performance Goal B. The total amount payable to the employee under the award is \$175,000, which is determined as follows: .The amount payable to the employee with respect to Performance Goal A is \$100,000 (50% (Performance Goal Percentage) x \$100,000 (Salary) x 100% (Individual Incentive Target) x 2 = \$100,000), and the amount payable to the employee with respect to Performance Goal B is \$75,000 (50% (Performance Goal Percentage) x \$100,000 (Salary) x 100% (Individual Incentive Target) x 1.5 = \$75,000).

3.5 The term “Salary” means the cash amounts paid or payable by the Company Group to you as regular compensation for services rendered during the Performance Period (whether or not deferred), exclusive of bonuses, awards, reimbursement of expenses and fringe benefits.

3.6 The Committee may not increase the amount payable under this Agreement. Notwithstanding any other provision of this Agreement to the contrary, in its sole discretion, the Committee may reduce your Individual Incentive Target and reduce the amount of the Incentive Award payable under this Agreement.

3.7 Except as set forth in *Exhibit A*, if the Performance Hurdle is not achieved for the Performance Period, then the Award shall lapse with respect to such portion(s) and be forfeited without consideration as of the last day of the Performance Period.

3.8 The Committee’s determinations with respect to the Performance Period for purposes of this Agreement shall be binding upon all persons.

4. PAYMENT. Any amount payable to you pursuant to this Agreement will be paid to you by the legal entity that is a member of the Company Group and that is classified by the Company Group as your employer (the “Employer”) as soon as practicable after the end of the Performance Period but no later than March 15 of the calendar year in which the Performance Period ends (the “Payment Date”).

5. SEPARATION FROM SERVICE. Notwithstanding anything to the contrary in this Agreement, the following provisions will apply in the event of your Separation from Service (within the meaning of Section 409A (your “Separation from Service”)) from the Company and all Affiliates (the “Company Group”), before the last day of the Performance Period.

5.1 Separation from Service Generally. Except as otherwise expressly provided to the contrary in this Section 5, in the event of your Separation from Service, all of your rights in this Agreement, including all rights to the Annual Incentive Award, will lapse and be completely forfeited without consideration on the date your employment terminates.

5.2 Change in Control. If a Change in Control of the Company occurs on or before the Ending Date, you do not incur a Separation from Service prior to that time, and the successor company in the Change in Control does not otherwise assume or substitute for the award granted hereby, then ten (10) business days after the closing date of the Change in Control of the Company, the Company or its successor will pay to you an amount in cash equal to the product of (A) the greater of (i) the Target Annual Incentive that would be paid to you under this Agreement or (ii) the Annual Incentive actually paid to you under an Annual Incentive Award granted to you for the fiscal year preceding the fiscal year in which the Change in Control occurs (including any deferred portion thereof), and (B) a fraction, the numerator of which is the number of days in the current fiscal year through the closing date of the Change in Control and the denominator of which is 365. Notwithstanding anything to the contrary contained in this Agreement or the Plan, if following the commencement of any discussion with a third person that ultimately results in a Change in Control of the Company, (i) your employment with the Company is terminated, (ii) you are removed from any material duties or position with the Company, (iii) your base salary is reduced, or (iv) your target annual bonus is reduced to an amount less than the target bonus paid to you during the previous fiscal year, then for all purposes of this Agreement, such Change in Control of the Company shall be deemed to have occurred on the date immediately prior to the date of such termination, removal, or reduction.

5.3 Disability. In the event of your Separation from Service due to your Disability before the last day of the Performance Period, then the Employer will pay to you in cash an amount equal to the product of (1) and (2) where (1) is the amount you would have received under this Agreement if you had not incurred a Separation from Service before the end of the Performance Period and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.3 will be paid by the Employer to you on the Payment Date.

5.4 Death. In the event of your Separation from Service due to your death before the last day of the Performance Period, then the Employer will pay to your estate in cash an amount equal to the product of (1) and (2) where (1) is the amount you would have received under this Agreement if you had not incurred a Separation from Service before the end of the Performance Period and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.4 will be paid by the Employer to your estate on the Payment Date.

5.5 Retirement. In the event of your Separation from Service due to your Retirement before the last day of the Performance Period, then the Employer will pay to you in cash an amount equal to the product of (1) and (2) where (1) is the amount you would have received under this Agreement if you had not incurred a Separation from Service before the end of the Performance Period and (2) is a fraction, the numerator of which is the number of days from the beginning of the Performance Period through the date of your Separation from Service and the denominator of which is the number of days in the Performance Period. Any amount payable pursuant to this Section 5.5 will be paid by the Employer to you on the Payment Date. For purposes of this Section 5.5 "*Retirement*" means your voluntary Separation from Service on or after the date on which (a) you are age 65 or (b) you are age 55 and have five years of service with the Company Group.

6. TAX WITHHOLDING. To the extent that the receipt of this Agreement or payment pursuant to this Agreement results in income, wages or other compensation to you for any income, employment or other tax purposes with respect to which the Employer has a withholding obligation, you shall deliver to the Employer at the time of such receipt or payment, as the case may be, such amount of money as the Employer may require to meet its obligation under applicable tax laws or regulations, and, if you fail to do so, the Employer is authorized to withhold from any payment under this Agreement or from any cash or stock remuneration or other payment then or thereafter payable to you by the Company Group any tax required to be withheld by reason of such taxable income, wages or compensation.

7. NONTRANSFERABILITY. Your rights under this Agreement and to any Annual Incentive Award that may be payable to you under this Agreement may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of (other than by will or the applicable laws of descent and distribution). Any such attempted sale, assignment, pledge, exchange, hypothecation, transfer, encumbrance or disposition in violation of this Agreement shall be void and the Company Group shall not be bound thereby.

8. CAPITAL ADJUSTMENTS AND REORGANIZATIONS. The existence of the Annual Incentive Award shall not affect in any way the right or power of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or its business, engage in any merger or consolidation, issue any debt or equity securities, dissolve or liquidate, or sell, lease, exchange or otherwise dispose of all or any part of its assets or business, or engage in any other corporate act or proceeding.

9. NOT AN EMPLOYMENT AGREEMENT. This Agreement is not an employment agreement, and no provision of this Agreement shall be construed or interpreted to create an employment relationship between you and the Company or any Affiliate or guarantee the right to remain employed by the Company or any Affiliate for any specified term.

10. LIMIT OF LIABILITY. Under no circumstances will the Company or an Affiliate be liable for any indirect, incidental, consequential or special damages (including lost profits) of any form incurred by any 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.

11. REIMBURSEMENT OF EXECUTIVE COMPENSATION IN RESTATEMENT SITUATIONS. 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 payment to you under this Agreement when (a) the award 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 you based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which your cash payment for the relevant period exceeded the lower payment that would have been made based on the restated financial results. If there are multiple performance metrics and one is more readily calculable to determine whether a lower payment should have been made, then the same ratio or percentage applicable for the readily calculable metric shall be applied to the other metric(s) so that the entire bonus amount is recovered on a pro-rata basis to the event. No reimbursement shall be required if such material restatement was caused by or resulted from any change in accounting policy or rules.

12. AGREEMENT TO REPAYMENT OF PERFORMANCE BASED INCENTIVE COMPENSATION WHEN PAYMENTS ARE REQUIRED UNDER FEDERAL LAW OR THE RULES OF AN EXCHANGE: Employee acknowledges that the Company is a publicly-traded entity subject to the laws and regulations of the United States Securities and Exchange Commission, as well as the requirements of the New York Stock Exchange. The Employee further acknowledges that the Company's approved form agreements for performance-based incentive compensation granted to Employee contain certain "clawback" terms and provisions. Employee agrees to the terms and conditions of any policy adopted by the Company to comply with, or any decision of the Company to adhere to, any requirement or policy of the New York Stock Exchange (or any other exchange on which the securities of the Company are listed) pursuant to Section 10D of the Securities Exchange Act of 1934 (the "Policy") from this point forward for any grants made previously or in the future. Section 10D provides for the recovery of incentive-based compensation that has been erroneously granted, earned, vested or paid because of one or more errors that are material in the financial statements of the Company. To the extent such Policy requires the repayment or recovery of incentive-based compensation granted to, or earned or received by Employee, or in which the Employee vested, whether granted, vested, earned or paid pursuant to any past or future award agreements or any other plan of incentive-based compensation maintained in the past or adopted in the future by the Company, Employee agrees to the forfeiture, recovery or repayment of such amounts to the extent required by such Policy.

13. EMPLOYER LIABLE FOR PAYMENT. The Employer is liable for the payment of any amounts that become due under this Agreement.

14. SECTION 409A OF THE INTERNAL REVENUE CODE. This Agreement and all payments made hereunder are intended to meet the short-term deferral exception described under section 1.409A-1(b)(4) of the applicable Treasury regulations, or otherwise comply with, Section 409A, and this Agreement shall be interpreted so as to effect that intent. By accepting this Award, you acknowledge and agree that (a) you are not relying upon any written or oral statement or oral statement or representation of the Company, its Affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "*Company Parties*") regarding the tax effects associated with execution of this Agreement and the payment made pursuant to the Plan, and (b) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. By accepting this Award, you thereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with the Award and this Agreement.

15. DELAYED PAYMENT IN CERTAIN CIRCUMSTANCES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IF YOU ARE A SPECIFIED EMPLOYEE (WITHIN THE MEANING OF SECTION 409A) (A "SPECIFIED EMPLOYEE") AND THE COMPANY DETERMINES THAT A PAYMENT HEREUNDER IS NOT PERMITTED TO BE PAID ON THE DATE SPECIFIED WITHOUT THE IMPOSITION OF ADDITIONAL TAXES, INTEREST OR PENALTIES UNDER SECTION 409A, THEN NO PAYMENTS SHALL BE MADE TO YOU PURSUANT TO THIS AWARD DUE TO A SEPARATION FROM SERVICE FOR ANY REASON BEFORE THE EARLIER OF THE DATE THAT IS SIX MONTHS AND A DAY AFTER THE DATE ON WHICH YOU INCUR SUCH SEPARATION FROM SERVICE (THE "SIX MONTH DELAY PERIOD") OR FIVE BUSINESS DAYS FOLLOWING THE DATE OF YOUR DEATH.

16. PAYMENT TO RABBI TRUST IN CONNECTION WITH DELAYED PAYMENT. If the Company determines in its sole discretion that you are a Specified Employee as of any Payment Date and that Section 409A applies as set forth in Section 13 of this Agreement, then any such portion payable during the Six-Month Delay Period shall be transferred to a rabbi trust (which shall be a rabbi trust previously created by the Company that contains other amounts of deferred compensation payable by the Company or a rabbi trust created by the Company or its successor) as soon as administratively feasible

following the occurrence of the event giving rise to your right to such payment, except to the extent such transfer would subject you to penalties under the funding restriction provisions of Section 409A, as amended by the Pension Protection Act of 2006, and such amounts (together with earnings thereon determined in accordance with the terms of the trust agreement) shall be transferred from the trust to you upon the earlier of (i) the expiration of the Six-Month Delay Period, or (ii) any other earlier date permitted under Section 409A.

17. TAX-BASED PROGRAM CRITERIA. The Plan is designed to conform to the requirements of Section 162(m) of the Internal Revenue Code, which limits the amount the Company can deduct for non-performance-based compensation. Performance-based compensation meeting the requirements of the Internal Revenue Code is not subject to this limit. The Award granted hereby is intended to meet these requirements so that the Company can deduct this element of compensation.

18. MISCELLANEOUS. This Agreement is awarded pursuant to and is subject to all of the provisions of the Plan, including amendments to the Plan, if any. In the event of a conflict between this Agreement and the Plan provisions, the Plan provisions will control. The term “you” and “your” refer to the Grantee named in this Agreement. Capitalized terms that are not defined herein shall have the meanings ascribed to such terms in the Plan. This Agreement shall be binding on all successors and assigns of the Company.

In accepting the Annual Incentive Award set forth in this Agreement you accept and agree to be bound by all the terms and conditions of the Plan and this Agreement.

QUANEX BUILDING PRODUCTS CORPORATION

[Name and Title of Executing Officer]

AGREED AND ACCEPTED:

Name *(please print)*:

[Applicable Scorecard To Be Determined Annually]