

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
---	--	--

Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☐ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>003</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1987</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>003</u>	1c Effective date of plan <u>10/01/1987</u>	
1b Three-digit plan number (PN) ▶	<u>003</u>				
1c Effective date of plan <u>10/01/1987</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>QUANEX BUILDING PRODUCTS CORPORATION</u> <u>1900 WEST LOOP SOUTH STE 1500</u> <u>HOUSTON, TX 77027</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>26-1561397</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>713-961-4600</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>339900</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>26-1561397</u>	2c Sponsor's telephone number <u>713-961-4600</u>	2d Business code (see instructions) <u>339900</u>	
2b Employer Identification Number (EIN) <u>26-1561397</u>					
2c Sponsor's telephone number <u>713-961-4600</u>					
2d Business code (see instructions) <u>339900</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/01/2011	CRAIG WOOLCOTT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	08/01/2011	CRAIG WOOLCOTT
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") QUANEX BUILDING PRODUCTS CORPORATION 1900 WEST LOOP SOUTH STE 1500 HOUSTON, TX 77027	3b Administrator's EIN 26-1561397 3c Administrator's telephone number 713-961-4600
---	---

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
---	-----------------------------------

5 Total number of participants at the beginning of the plan year	5	738
---	----------	-----

6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	688
b Retired or separated participants receiving benefits.....	6b	3
c Other retired or separated participants entitled to future benefits.....	6c	59
d Subtotal. Add lines 6a , 6b , and 6c	6d	750
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	
f Total. Add lines 6d and 6e	6f	750
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	603
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	2

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
--	----------	--

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2G 2J 2K 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 QUANEX BUILDING PRODUCTS CORPORATION	D Employer Identification Number (EIN) 26-1561397	

Part I	Service Provider Information (see instructions)
---------------	--

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
--

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FID INV INSTITUTIONAL OPER

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65	RECORDKEEPER	10780	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
AF EUROPAC GRTH R4-AMER FDS	.35%	
95-2566717		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
AF GRTH FUND AMER R4-AMER FD	.35%	
95-2566717		
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
ALLNZ NFJ DIV VAL AD-BOSTON	.35%	
04-2526037		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
ALLNZ NFJ SMCAPVAL I - BOST	.10%	
04-2526037		
(a) Enter service provider name as it appears on line 2		
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
BARON GROWTH - DST SYSTEMS	.40%	
43-1581814		
(a) Enter service provider name as it appears on line 2		
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
BARON GROWTH INST-DST SYSTEM	.15%	
43-1581814		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
GS MID CAP VALUE A-GOLDMAN S	.35%	
13-5108880		
(a) Enter service provider name as it appears on line 2		
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
LD ABBETT SMCP BLD A-DST SYS	.40%	
43-1581814		
(a) Enter service provider name as it appears on line 2		
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
MUNDER MDCPCORE GR Y-BNY MEL	.25%	
04-3424166		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
NB PARTNERS TRUST-STATE STR	.35%	
13-2606035		
(a) Enter service provider name as it appears on line 2		
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
PIMCO TOT RET ADM-BOSTON FIN	.25%	
04-2526037		
(a) Enter service provider name as it appears on line 2		
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
ROYCE VALUE PLUS SER-BOSTON	.45%	
04-2526037		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
RS PARTNERS A-BOSTON FIN SVC	.55%	
04-2526037		
(a) Enter service provider name as it appears on line 2		
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
TEMPLETON FOREIGN A-FRANKLIN	.35%	
94-3167260		
(a) Enter service provider name as it appears on line 2		
FID INV INSTITUTIONAL OPER	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
TRP HIGH YIELD-T ROWE PRICE	.15%	
52-1184650		

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III	Termination Information on Accountants and Enrolled Actuaries (see instructions) (complete as many entries as needed)
-----------------	---

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration		DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2010 This Form is Open to Public Inspection.	
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010					
A Name of plan QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN				B Three-digit plan number (PN) ▶ 003	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 QUANEX BUILDING PRODUCTS CORPORATION				D Employer Identification Number (EIN) 26-1561397	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: FIDELITY MANAGED INCOME PORTFOLIO					
b Name of sponsor of entity listed in (a): FIDELITY MANAGED TRUST COMPANY					
c EIN-PN 04-3022712-024		d Entity code C		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2398347	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA,	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 QUANEX BUILDING PRODUCTS CORPORATION	D Employer Identification Number (EIN) 26-1561397	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	40497	306634
(2) Participant contributions	1b(2)	22349	22203
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	8539382	8092941
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	2265427	2242964
(9) Value of interest in common/collective trusts.....	1c(9)	3066092	2398347
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	25645694	31532579
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	39579441	44595668

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	39579441	44595668
---	-----------	----------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1898133	
(B) Participants	2a(1)(B)	1127558	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3025691

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	132653	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		132653

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	678511	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		678511

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	3112176	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		3112176
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		267219
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		7216250

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2044989	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2044989
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		53220
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	11908	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		11908
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2110117

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5106133
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		89906

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HAM, LANGSTON & BREZINA LLP

(2) EIN: 76-0448495

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 QUANEX BUILDING PRODUCTS CORPORATION	D Employer Identification Number (EIN) 26-1561397

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



HAM, LANGSTON & BREZINA, L.L.P.

11550 FUQUA, SUITE 475
HOUSTON, TEXAS 77034
PHONE (281) 481-1040
FAX (281) 481-8485
www.hlb-cpa.com

REPORT OF INDEPENDENT ACCOUNTANTS

To the Benefits Committee
Quanex Building Products Corporation

We were engaged to audit the accompanying statements of net assets available for benefits of the Quanex Building Products Union Employee 401(k) Plan (the "Plan") as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental Schedule H, Line 4i – Schedule of Assets Held (At End of Year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note E, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that Fidelity Management Trust Company holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ham, Langston & Brezina, L.L.P.

Houston, Texas
July 27, 2011

SUPPLEMENTAL SCHEDULE

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(k) PLAN
EIN: 26-1561397; PN 003

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)
AS OF DECEMBER 31, 2010

(a)	(b) Identity of issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(e) Current Value*	
**	Fidelity Investments	Mutual Fund – Spartan Total Market Index Fund	\$ 9,771,442	***
**	Fidelity Investments	Mutual Fund – Retirement Government Money Market Fund	8,092,941	***
	American Funds	Mutual Fund – Growth Fund of America-R4	5,780,963	***
**	Fidelity Investments	Mutual Fund – Freedom 2015 Fund	2,652,598	***
**	Fidelity Investments	Mutual Fund – Freedom 2025 Fund	2,422,969	***
**	Fidelity Investments	Common Collective Trust – Managed Income Portfolio	2,418,008	***
**	Fidelity Investments	Mutual Fund – Spartan Extended Market Index Fund	2,084,531	
	American Funds	Mutual Fund – Europacific Growth Fund-R4	1,815,071	
	Fidelity Investments	Mutual Fund – Freedom 2020 Fund	1,280,236	
	PIMCO	Mutual Fund – Total Return Institutional Fund	1,190,536	
**	Fidelity Investments	Mutual Fund – Freedom 2035 Fund	968,084	
**	Fidelity Investments	Mutual Fund – Freedom 2030 Fund	795,034	
	Fidelity Investments	Mutual Fund – Freedom 2010 Fund	507,541	
	Baron	Mutual Fund – Growth Institutional Fund	447,355	
**	Fidelity Investments	Mutual Fund – Freedom 2040 Fund	387,107	
	Allianz Funds	Mutual Fund – NFJ Small-Cap Value Institutional Fund	378,946	
	T. Rowe Price	Mutual Fund – High Yield Fund	364,810	
	Vanguard	Mutual Fund – Windsor II Admin Fund	314,925	
	Vanguard	Mutual Fund – Small-Cap Index Signal Fund	152,005	
**	Fidelity Investments	Mutual Fund – Freedom Income Fund	67,173	
**	Fidelity Investments	Mutual Fund – Freedom 2045 Fund	52,694	
**	Fidelity Investments	Mutual Fund – Freedom 2050 Fund	46,939	
	Vanguard	Mutual Fund – Inflation-Protected Securities Fund	31,959	
**	Participant notes receivable	Notes receivable bearing interest at rates ranging from 4.25% to 9.25%	2,242,964	***
		Total	<u>\$ 44,266,831</u>	

* Cost information is not presented because all investments are participant directed.

** Represents party-in-interest transactions.

*** Represents investments comprising at least 5% of net assets available for benefits.

***Quanex Building
Products Union
Employee 401(k) Plan***

*Financial Statements as of and for the Years
Ended December 31, 2010 and 2009, and
Supplemental Schedule as of December 31,
2010 with Report of Independent Accountants*

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT ACCOUNTANTS	1
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009	2
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2010 and 2009	3
Notes to Financial Statements as of and for the Years Ended December 31, 2010 and 2009	4
SUPPLEMENTAL SCHEDULE *	
Form 5500, Schedule H, Part IV, Line 4i—Schedule of Assets (Held at End of Year) as of December 31, 2010	14

* All other schedules required by Section 2520-103.10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



HAM, LANGSTON & BREZINA, L.L.P.
Certified Public Accountants

11550 FUQUA, SUITE 475
HOUSTON, TEXAS 77034
PHONE (281) 481-1040
FAX (281) 481-8485
www.hlb-cpa.com

REPORT OF INDEPENDENT ACCOUNTANTS

To the Benefits Committee
Quanex Building Products Corporation

We were engaged to audit the accompanying statements of net assets available for benefits of the Quanex Building Products Union Employee 401(k) Plan (the "Plan") as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended, and the supplemental Schedule H, Line 4i – Schedule of Assets Held (At End of Year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note E, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that Fidelity Management Trust Company holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Ham, Langston & Brezina, L.L.P.

Houston, Texas
July 27, 2011

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Investments at fair value:		
Participant-directed investments	<u>\$ 42,023,867</u>	<u>\$ 37,251,168</u>
Receivables:		
Notes receivable from participants	2,242,964	2,265,427
Participant contributions	22,203	22,349
Employer contributions	<u>306,634</u>	<u>40,497</u>
Total receivables	<u>2,571,801</u>	<u>2,328,273</u>
Net Assets Available for Benefits at Fair Value	44,595,668	39,579,441
Adjustment from fair value to contract value for fully benefit-responsive investment contract	<u>(19,661)</u>	<u>55,974</u>
Net Assets Available for Benefits	<u><u>\$ 44,576,007</u></u>	<u><u>\$ 39,635,415</u></u>

The accompanying notes are an integral part of these financial statements.

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Additions to net assets attributable to:		
Investment income:		
Interest and dividends	\$ 678,511	\$ 581,604
Net appreciation in fair value of investments	<u>3,303,760</u>	<u>5,746,649</u>
Total investment income	<u>3,982,271</u>	<u>6,328,253</u>
Interest income from participant notes receivable	<u>132,653</u>	<u>161,770</u>
Contributions:		
Participant contributions	1,127,558	878,222
Employer contributions, net of forfeitures	<u>1,898,133</u>	<u>1,376,682</u>
Total contributions	<u>3,025,691</u>	<u>2,254,904</u>
Total additions	<u>7,140,615</u>	<u>8,744,927</u>
Deductions from net assets attributable to:		
Benefits paid to participants	2,098,209	5,151,988
Administrative expenses	<u>11,908</u>	<u>13,085</u>
Total deductions	<u>2,110,117</u>	<u>5,165,073</u>
Net increase in net assets available for benefits before transfer to the Quanex Building Products Salaried and Nonunion Employee 401(k) Plan	5,030,498	3,579,854
Transfer to the Quanex Building Products Salaried and Nonunion Employee 401(k) Plan	<u>(89,906)</u>	<u>-</u>
Net increase in net assets available for benefits	4,940,592	3,579,854
Net assets available for benefits, beginning of year	<u>39,635,415</u>	<u>36,055,561</u>
Net assets available for benefits, end of year	<u><u>\$ 44,576,007</u></u>	<u><u>\$ 39,635,415</u></u>

The accompanying notes are an integral part of these financial statements.

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

A. DESCRIPTION OF THE PLAN

The following brief description of the Quanex Building Products Union Employee 401(k) Plan (the "Plan") (formerly the Quanex Corporation 401(k) Savings Plan for Hourly Employees) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

- (1) General. The Plan is a defined contribution plan, which covers substantially all union hourly employees at the following locations: Davenport, Iowa ("Davenport"); Lincolnshire, Illinois ("Lincolnshire"); Decatur, Alabama ("Decatur"); and Barbourville, Kentucky ("Barbourville"). The Plan is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). Fidelity Management Trust Company ("Fidelity" or the "Trustee") holds the assets of the Plan in trust. The Benefits Committee (the "Committee"), appointed by the Company's Board of Directors, serves as the Plan administrator.
- (2) Contributions. Participants at the Davenport, Lincolnshire and Decatur locations may elect to reduce the current level of their compensation from 1% to 50% by contributing on a pre-tax basis, as defined by the Plan agreement, not to exceed the limitation (\$16,500 in both 2010 and 2009) set forth in Section 402(g) of the Internal Revenue Code.

Participants at the Barbourville location may elect to reduce the current level of their compensation from 1% to 25%, not to exceed the limitation (\$16,500 in both 2010 and 2009) set forth in Section 402(g) of the Internal Revenue Code. The Company makes a nondiscretionary matching contribution equal to 50% of the first 6% of compensation that a participant contributes to the Plan.

For all locations, the Company makes a supplemental employer contribution, which is based on a percentage of the participant's compensation for each individual with at least one year of service. The percentage contributed varies by location, as defined in the Plan agreement. Participants may make catch-up contributions (pre-tax contributions that exceed the annual elective deferral limit) during any calendar year ending on or after the participant's 50th birthday. A participant's total catch-up contribution was limited to a maximum of \$5,500 during both 2010 and 2009. Participants may also make rollover contributions from other qualified plans.

- (3) Participant Accounts. Each participant's account is credited with the participant's contribution, the employer's contribution, and the participant's pro rata share of investment earnings/losses. Participant accounts are also charged with withdrawals and administrative expenses. Investment earnings/loss allocations are based on individual participant account balances as of the end of the period in which the income is earned. Upon the occurrence of a distribution event, the benefit to which a participant is entitled is the benefit that can be provided from the participant's vested interest in his or her account.
- (4) Investments. Participants direct the investment of contributions into various investment options offered by the Plan. The Plan currently offers mutual funds and a common/commingled trust as investment options for participants.

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

A. DESCRIPTION OF THE PLAN, continued

- (5) Vesting and Forfeitures. Participants are immediately vested in their voluntary contributions and the related earnings. Vesting in the employer's matching contribution for the Barbourville location is 100% after three years of service. Vesting in the employer's supplemental contributions for employees at all locations is 20% for each year of credited service and the participant is fully vested after five years. Upon death, retirement or total and permanent disability, the participant or beneficiary becomes fully vested in the employer's contributions. In the event of termination, nonvested portions of employer's contributions are immediately forfeited by participants and are utilized first to reinstate any participant accounts and next to reduce future employer matching contributions. Amounts forfeited, during 2010 and 2009, were \$15,964 and \$42,681, respectively. In 2010 and 2009, forfeited amounts totaling \$20,529 and \$50,143, respectively, were used to offset employer contributions. At December 31, 2010 and 2009, forfeitures available for future use were \$0 and \$4,038, respectively.
- (6) Payment of Benefits. The Plan is intended for long-term savings but provides for early withdrawals and loan arrangements under certain conditions. Upon termination of service, the participant (or his or her designated beneficiary in the event of death) may elect to receive a lump-sum amount equal to the amount of vested benefits in his or her account. Terminated employees with an account balance of less than \$1,000 will automatically receive a lump sum distribution.
- (7) Participant Notes Receivable. Loans may be granted to a participant of the Plan at the Committee's discretion. Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the participant's vested account balance. Loan terms range up to five years or seven years if used for the purchase of a primary residence. Loans mature within 1.5 to 7 years and bore interest at rates ranging from 4.25% to 9.25% during 2010 and 2009. Interest on a participant's loan is allocated to the borrower's account.
- (8) Administrative Expenses. The Company pays the administrative expenses, except for loan set up and carrying fees and redemption fees imposed on certain Fidelity funds.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Financial Accounting Standards Board Codification. In June 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 168, *"The FASB Accounting Standards Codification TM and the Hierarchy of Generally Accepted Accounting Principles"* ("GAAP"). The FASB Accounting Standards Codification TM, ("Codification" or "ASC") became the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities. SFAS No. 168 is effective for all financial statements issued for interim and annual periods ending after September 15, 2009. On the effective date of SFAS No. 168, the Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification became non-authoritative.

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

- (1) Financial Accounting Standards Board Codification, continued. Following SFAS No. 168, the FASB no longer issues new standards in the form of Statements, FASB Staff Positions ("FSP"), FASB Interpretations ("FIN"), or Emerging Issues Task Force Abstracts ("EITF"); instead, it issues Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right; rather, these updates will serve only to update the Codification, provide background information about the guidance, and provide the bases for conclusions on the change(s) in the Codification. SFAS No. 168 is incorporated in ASC Topic 105, *Generally Accepted Accounting Principles*. The Plan adopted SFAS No. 168 for the year ended December 31, 2009.

- (2) Accounting Basis. The financial statements of the Plan are prepared in accordance with accounting principles generally accepted in the United States of America.

As described in ASC Topic 962, *Defined Contribution Pension Plans*, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Investments in the accompanying Statements of Net Assets Available for Benefits include a common/commingled trust, i.e., the Fidelity Managed Income Portfolio, which is a fully benefit-responsive investment contract. As required, the Statements of Net Assets Available for Benefits present the fair value of the investment contract, as well as the adjustment of the fully benefit-responsive contract from fair value to contract value. The Statements of Changes in Net Assets Available for Benefits are prepared on a contract value basis.

- (3) Investment Valuation and Income Recognition. Investments are reflected at fair value in the financial statements. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end. The common/commingled trust is stated at estimated fair value as determined by the issuer of the common/commingled trust based on the fair market value of the underlying investments.

The Fidelity Managed Income Portfolio is a stable value fund that is a commingled pool of assets sponsored by Fidelity. The fund may invest in fixed interest insurance investment contracts, money market funds, corporate and government bonds, mortgage-backed securities, bond funds, and other fixed income securities. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses on sale of investments and unrealized appreciation (depreciation) on those investments.

Management fees and operating expenses charged to the Plan for investments in the mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

- (4) Participant Notes Receivable. Participant notes receivable are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant notes receivable are reclassified as distributions based upon the terms of the Plan document.
- (5) Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits, changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.
- (6) Benefit Payments. Benefit payments to participants are recorded when distributed.
- (7) Risks and Uncertainties. The Plan utilizes various investment instruments, including mutual funds and common/commingled trusts. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.
- (8) Recent Accounting Pronouncements. In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements* ("ASU No. 2010-06"). ASU No. 2010-06 amends the disclosure requirements of FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820") and requires new disclosures regarding (a) transfers in and out of levels 1 and 2 and (b) activity in level 3 fair value measurements. ASU No. 2010-06 also provides amendments to ASC 820 that clarify existing disclosures regarding (a) level of disaggregation for each class of assets and liabilities and (b) disclosures about inputs and valuation techniques for fair value measurements that fall in either levels 2 or 3. ASU No. 2010-06 is effective for periods ending after December 15, 2009 (except for the level 3 roll forward which is effective for periods beginning after December 15, 2010). The adoption of FASB ASU No. 2010-06 did not have a significant impact on the Plan's financial statements.

In September 2010, the FASB issued ASU No. 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. ASU No. 2010-25 changed the reporting of loans to participants. Prior to ASU No. 2010-25, loans to participants were reported as investments at fair value. ASU No. 2010-25 requires that loans to participants be reported as notes receivable from participants at the unpaid principal balance plus any accrued but unpaid interest. ASU No. 2010-25 is effective for periods ending after December 15, 2010. The Plan adopted ASU No. 2010-25 in the 2010 financial statements, applied retrospectively for all periods presented. The adoption of ASU No. 2010-25 was not significant as the unpaid principal balance plus accrued interest of loans to participants approximated fair value.

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

- (8) Recent Accounting Pronouncements, continued. In May 2009, the FASB issued ASC Topic 855, *Subsequent Events*, which establishes general standards of accounting for and disclosure of events that occur after the date of the Statement of Net Assets Available for Benefits but before financial statements are issued or available to be issued. ASC Topic 855 defines (i) the period after the date of the Statement of Net Assets Available for Benefits during which a reporting entity's management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the date of the Statement of Net Assets Available for Benefits in its financial statements, and (iii) the disclosures an entity should make about events or transactions that occurred after the date of the Statement of Net Assets Available for Benefits. ASC Topic 855 was effective for the Plan for the year ended December 31, 2009; however, its adoption did not have a significant impact on the Plan's financial statements.
- (9) Reclassification. Certain items in the 2009 financial statements have been reclassified to conform to the 2010 financial statement presentation. Such reclassifications had no effect on the Plan's net assets available for benefits or changes in net assets available for benefits.

C. FAIR VALUE MEASUREMENTS

ASC Topic 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end.

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

C. FAIR VALUE MEASUREMENTS, continued

Common/commingled trust: Valued at fair value based on information reported in the audited financial statements of the common/commingled trust at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2010 and 2009:

Assets at Fair Value as of December 31, 2010

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Mid/large cap stock fund	\$ 27,512,420	\$ -	\$ -	\$ 27,512,420
Money market fund	8,092,941	-	-	8,092,941
International fund	1,815,071	-	-	1,815,071
Fixed income funds	1,654,476	-	-	1,654,476
Small cap stock fund	530,951	-	-	530,951
Total mutual funds	39,605,859	-	-	39,605,859
Common/commingled trust	-	2,418,008	-	2,418,008
Total assets at fair value	<u>\$ 39,605,859</u>	<u>\$ 2,418,008</u>	<u>\$ -</u>	<u>\$ 42,023,867</u>

Assets at Fair Value as of December 31, 2009

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Mid/large cap stock fund	\$ 22,319,208	\$ -	\$ -	\$ 22,319,208
Money market fund	8,539,382	-	-	8,539,382
International fund	1,665,907	-	-	1,665,907
Fixed income funds	1,094,417	-	-	1,094,417
Small cap stock fund	622,136	-	-	622,136
Total mutual funds	34,241,050	-	-	34,241,050
Common/commingled trust	-	3,010,118	-	3,010,118
Total assets at fair value	<u>\$ 34,241,050</u>	<u>\$ 3,010,118</u>	<u>\$ -</u>	<u>\$ 37,251,168</u>

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

D. INVESTMENTS

The Plan's investments that represented 5% or more of the Plan's net assets available for benefits as of December 31, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Fidelity Spartan Total Market Index Fund	\$ 9,771,442	\$ 8,744,591
Fidelity Retirement Government Money Market Fund	8,092,941	8,539,382
American Funds Growth Fund of America – R4	5,780,963	5,422,106
Fidelity Freedom 2015 Fund	2,652,598	*
Fidelity Freedom 2025 Fund	2,422,969	*
Fidelity Managed Income Fund	2,418,008	3,010,118
Investments less than 5% of the Plan's net assets	<u>10,884,946</u>	<u>11,534,971</u>
Total Investments	<u>\$ 42,023,867</u>	<u>\$ 37,251,168</u>

* Less than 5% of the Plan's net assets in the period indicated.

During the years ended December 31, 2010 and 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	<u>2010</u>	<u>2009</u>
Mutual funds	\$ 3,303,760	\$ 5,576,581
Quanex Unitized Stock Fund	<u>-</u>	<u>170,068</u>
Net appreciation in fair value of investments	<u>\$ 3,303,760</u>	<u>\$ 5,746,649</u>

E. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE (UNAUDITED)

The Plan Committee has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Plan's trustee, Fidelity Management Trust Company, has certified that the following information included in the accompanying financial statements and supplemental schedule is complete and accurate:

a. Information in the Statements of Net Assets Available for Benefits at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Investments:		
Registered investment companies (mutual funds)	<u>\$ 39,605,859</u>	<u>\$ 34,241,050</u>
Common/commingled trust, at contract value	<u>\$ 2,398,347</u>	<u>\$ 3,066,092</u>
Participant notes receivable	<u>\$ 2,242,964</u>	<u>\$ 2,265,427</u>

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

E. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE (UNAUDITED), continued

- b. Information in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2010 and 2009:

	2010	2009
Investment income:		
Interest and dividends	\$ 678,511	\$ 581,604
Net appreciation in fair value of investments	3,303,760	5,746,649
Total investment income	\$ 3,982,271	\$ 6,328,253
Interest income from participant notes receivable	\$ 132,653	\$ 161,770

- c. All information in Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2010, as shown in the supplemental schedule.

The Plan's independent accountants did not perform any auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

F. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Fidelity, the trustee of the Plan. The Plan also issues notes receivable from participants. These transactions qualify as exempt party-in-interest transactions, as defined by ERISA. Such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

G. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan at any time subject to the provisions set forth in ERISA. In the event of Plan termination, the assets held by the Trustee under the Plan will be valued and fully vested, and each participant will be entitled to distributions from his or her respective account.

H. FEDERAL INCOME TAX STATUS

The Plan obtained its latest determination letter on December 14, 2009, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(K) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

I. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Net assets available for benefits per the financial statements	\$ 44,576,007	\$ 39,635,415
Adjustment from fair value to contract value	<u>19,661</u>	<u>(55,974)</u>
Net assets available for benefits per Form 5500	<u>\$ 44,595,668</u>	<u>\$ 39,579,441</u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Net increase in net assets available for benefits per the financial statements	\$ 4,940,592	\$ 3,579,854
Change in adjustment from fair value to contract value	<u>75,635</u>	<u>105,411</u>
Net increase in net assets available for benefits per Form 5500	<u>\$ 5,016,227</u>	<u>\$ 3,685,265</u>

J. SUBSEQUENT EVENTS

Plan management has evaluated all subsequent events through July 27, 2011, which is the date the financial statements were issued, and has concluded that there are no significant events to be reported.

SUPPLEMENTAL SCHEDULE

QUANEX BUILDING PRODUCTS UNION EMPLOYEE 401(k) PLAN
EIN: 26-1561397; PN 003

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets (Held at End of Year)

AS OF DECEMBER 31, 2010

(a)	(b) Identity of issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value	(e) Current Value*	
**	Fidelity Investments	Mutual Fund – Spartan Total Market Index Fund	\$ 9,771,442	***
**	Fidelity Investments	Mutual Fund – Retirement Government Money Market Fund	8,092,941	***
	American Funds	Mutual Fund – Growth Fund of America-R4	5,780,963	***
**	Fidelity Investments	Mutual Fund – Freedom 2015 Fund	2,652,598	***
**	Fidelity Investments	Mutual Fund – Freedom 2025 Fund	2,422,969	***
**	Fidelity Investments	Common Collective Trust – Managed Income Portfolio	2,418,008	***
**	Fidelity Investments	Mutual Fund – Spartan Extended Market Index Fund	2,084,531	
	American Funds	Mutual Fund – Europacific Growth Fund-R4	1,815,071	
	Fidelity Investments	Mutual Fund – Freedom 2020 Fund	1,280,236	
	PIMCO	Mutual Fund – Total Return Institutional Fund	1,190,536	
**	Fidelity Investments	Mutual Fund – Freedom 2035 Fund	968,084	
**	Fidelity Investments	Mutual Fund – Freedom 2030 Fund	795,034	
	Fidelity Investments	Mutual Fund – Freedom 2010 Fund	507,541	
	Baron	Mutual Fund – Growth Institutional Fund	447,355	
**	Fidelity Investments	Mutual Fund – Freedom 2040 Fund	387,107	
	Allianz Funds	Mutual Fund – NFJ Small-Cap Value Institutional Fund	378,946	
	T. Rowe Price	Mutual Fund – High Yield Fund	364,810	
	Vanguard	Mutual Fund – Windsor II Admin Fund	314,925	
	Vanguard	Mutual Fund – Small-Cap Index Signal Fund	152,005	
**	Fidelity Investments	Mutual Fund – Freedom Income Fund	67,173	
**	Fidelity Investments	Mutual Fund – Freedom 2045 Fund	52,694	
**	Fidelity Investments	Mutual Fund – Freedom 2050 Fund	46,939	
	Vanguard	Mutual Fund – Inflation-Protected Securities Fund	31,959	
**	Participant notes receivable	Notes receivable bearing interest at rates ranging from 4.25% to 9.25%	2,242,964	***
		Total	<u>\$ 44,266,831</u>	

* Cost information is not presented because all investments are participant directed.

** Represents party-in-interest transactions.

*** Represents investments comprising at least 5% of net assets available for benefits.