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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.5em; font-weight: bold;">2012</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                               | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                         |                                                                     |                                                             |                                                             |  |
| <b>1a</b> Name of plan<br><u>PLY GEM GROUP PENSION PLAN</u>                                                                                                                                                                  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>12/31/1976</u></td> </tr> </table>                        | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>001</u>                                                  | <b>1c</b> Effective date of plan<br><u>12/31/1976</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                     | <u>001</u>                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                             |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>12/31/1976</u>                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br><u>PLY GEM INDUSTRIES, INC</u><br><br><u>5020 WESTON PKWY STE 400</u><br><u>CARY, NC 27513-2322</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>11-1727150</u></td> </tr> <tr> <td><b>2c</b> Sponsor's telephone number<br/><u>919-677-3925</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>321900</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>11-1727150</u> | <b>2c</b> Sponsor's telephone number<br><u>919-677-3925</u> | <b>2d</b> Business code (see instructions)<br><u>321900</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>11-1727150</u>                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2c</b> Sponsor's telephone number<br><u>919-677-3925</u>                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                             |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><u>321900</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.

|                                                                                                            |                                                                                         |                    |                                                                              |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature.<br>Signature of plan administrator    | 10/14/2013<br>Date | STEVEN BROWN<br>Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature.<br>Signature of employer/plan sponsor | 10/14/2013<br>Date | STEVEN BROWN<br>Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                           | Signature of DFE                                                                        | Date               | Enter name of individual signing as DFE                                      |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                                                         |                    | Preparer's telephone number (optional)                                       |

|                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address<br><br>PLY GEM INDUSTRIES, INC<br><br>5020 WESTON PKWY STE 400<br>CARY, NC 27513-2322                                                                                                                                                                                        |           | <b>3b</b> Administrator's EIN<br>11-1727150                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                       |           | <b>3c</b> Administrator's telephone number<br>919-677-3925                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>4</b> 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:<br><br><b>a</b> Sponsor's name                                                                                                                                                                                                                 |           | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                               |           | <b>5</b> 977                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                                                |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a</b> Active participants.....                                                                                                                                                                                                                                                                                                                                                                                                     | <b>6a</b> | 229                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                                                                                                                                                                    | <b>6b</b> | 262                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                                     | <b>6c</b> | 442                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                              | <b>6d</b> | 933                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                                                                                                                                                             | <b>6e</b> | 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                               | <b>6f</b> | 966                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                                                                                                                                                        | <b>6g</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                                            | <b>6h</b> | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                  |           | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 1G 1I                                                                                                                                                                                                                                                              |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                           |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                         |           | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                     |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                     |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |           | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>PLY GEM GROUP PENSION PLAN</u>                                                                                | <b>B</b> Three-digit plan number (PN) ▶ <u>001</u>                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>PLY GEM INDUSTRIES, INC</u>                                | <b>D</b> Employer Identification Number (EIN)<br><u>11-1727150</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                 |                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| <b>Part I</b>                                                                                                                                                                                                   | <b>Basic Information</b>               |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>                                                                                                                               |                                        |
| <b>2</b> Assets:                                                                                                                                                                                                |                                        |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b> <u>12618184</u>              |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> <u>13200488</u>              |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                            |                                        |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                      | <b>3a</b> <u>257</u> <u>7680315</u>    |
| <b>b</b> For terminated vested participants.....                                                                                                                                                                | <b>3b</b> <u>483</u> <u>6001017</u>    |
| <b>c</b> For active participants:                                                                                                                                                                               |                                        |
| <b>(1)</b> Non-vested benefits.....                                                                                                                                                                             | <b>3c(1)</b> <u>9097</u>               |
| <b>(2)</b> Vested benefits.....                                                                                                                                                                                 | <b>3c(2)</b> <u>998218</u>             |
| <b>(3)</b> Total active .....                                                                                                                                                                                   | <b>3c(3)</b> <u>237</u> <u>1007315</u> |
| <b>d</b> Total .....                                                                                                                                                                                            | <b>3d</b> <u>977</u> <u>14688647</u>   |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) .....                                                                                                                   | <input type="checkbox"/>               |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                              |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                              |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b> <u>6.96 %</u>                 |
| <b>6</b> Target normal cost.....                                                                                                                                                                                | <b>6</b> <u>25000</u>                  |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                                                   |                               |                                        |
|---------------------------------------------------|-------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                  |                               | <u>09/17/2013</u>                      |
|                                                   | Signature of actuary          | Date                                   |
| <u>DARLENE T. BUXTON</u>                          |                               | <u>11-06222</u>                        |
|                                                   | Type or print name of actuary | Most recent enrollment number          |
| <u>PRIAC</u>                                      |                               | <u>860-534-2303</u>                    |
|                                                   | Firm name                     | Telephone number (including area code) |
| <u>P.O. BOX 2975</u><br><u>HARTFORD, CT 06104</u> |                               |                                        |
|                                                   | Address of the firm           |                                        |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

**Schedule SB (Form 5500) 2012**  
**v. 120126**

| Part II Beginning of Year Carryover Prefunding Balances |                                                                                                                                  | (a) Carryover balance | (b) Prefunding balance |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| 7                                                       | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                  | 0                     | 0                      |
| 8                                                       | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                               | 0                     | 0                      |
| 9                                                       | Amount remaining (line 7 minus line 8) .....                                                                                     | 0                     | 0                      |
| 10                                                      | Interest on line 9 using prior year's actual return of <u>-2.34%</u> .....                                                       |                       |                        |
| 11                                                      | Prior year's excess contributions to be added to prefunding balance:                                                             |                       |                        |
| a                                                       | Present value of excess contributions (line 38a from prior year) .....                                                           |                       | 827                    |
| b                                                       | Interest on (a) using prior year's effective interest rate of <u>6.24%</u> except as otherwise provided (see instructions) ..... |                       | 52                     |
| c                                                       | Total available at beginning of current plan year to add to prefunding balance .....                                             |                       | 879                    |
| d                                                       | Portion of (c) to be added to prefunding balance .....                                                                           |                       | 0                      |
| 12                                                      | Other reductions in balances due to elections or deemed elections .....                                                          | 0                     | 0                      |
| 13                                                      | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                               | 0                     | 0                      |

| Part III Funding Percentages |                                                                                                                                                                  |    |         |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------|
| 14                           | Funding target attainment percentage .....                                                                                                                       | 14 | 89.86 % |
| 15                           | Adjusted funding target attainment percentage .....                                                                                                              | 15 | 89.86 % |
| 16                           | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | 16 | 77.18 % |
| 17                           | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | 17 | %       |

| Part IV Contributions and Liquidity Shortfalls                                    |                                   |                                 |                          |                                   |                                 |
|-----------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 18 Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                          | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/13/2012                                                                        | 192684                            |                                 |                          |                                   |                                 |
| 07/20/2012                                                                        | 192684                            |                                 |                          |                                   |                                 |
| 10/12/2012                                                                        | 192684                            |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 |                          |                                   |                                 |
|                                                                                   |                                   |                                 | Totals ►                 | 18(b)                             | 578052                          |
|                                                                                   |                                   |                                 |                          | 18(c)                             | 0                               |

|                                                                                                                               |                                                                     |        |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------|
| 19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: |                                                                     |        |
| a Contributions allocated toward unpaid minimum required contributions from prior years. ....                                 | 19a                                                                 |        |
| b Contributions made to avoid restrictions adjusted to valuation date .....                                                   | 19b                                                                 |        |
| c Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....              | 19c                                                                 | 557584 |
| 20 Quarterly contributions and liquidity shortfalls:                                                                          |                                                                     |        |
| a Did the plan have a "funding shortfall" for the prior year? .....                                                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |        |
| b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....              | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |        |
| c If line 20a is "Yes," see instructions and complete the following table as applicable:                                      |                                                                     |        |

| Liquidity shortfall as of end of quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
| 0                                                          |         | 0       | 0       |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

|                                                                                                                                                                                              |                       |                       |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.54% | 2nd segment:<br>6.85% | 3rd segment:<br>7.52 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                       |                       |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       |                        | <b>22</b> 64                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                        |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....                                    | <b>27</b>                                                           |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> |   |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 25000              |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 1488159             | 508223             |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           | 0                  |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>           | 533223             |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 533223             |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 557584             |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 24361              |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                   | <b>40</b>           | 0                  |               |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                                |                                                                                                                         |  |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                         |  |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |  |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |  |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                               |  |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                               |  |  |

|                                                                                                                                                                                                           |                                                                                                                                                                                                                              |                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection.</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                                        |                                                                    |            |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>PLY GEM GROUP PENSION PLAN</u>                                             | <b>B</b> Three-digit plan number (PN)                              | <u>001</u> |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>PLY GEM INDUSTRIES, INC</u> | <b>D</b> Employer Identification Number (EIN)<br><u>11-1727150</u> |            |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PLY GEM INDUSTRIES, INC. MASTER TR

**b** Name of sponsor of entity listed in (a): PLY GEM INDUSTRIES, INC.

|                                       |                               |                                                                                                                     |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>11-1727150-001</u> | <b>d</b> Entity code <u>M</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>13401341</u> |
|---------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|

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

**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

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2012</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                        |            |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------|
| For calendar plan year 2012 or fiscal plan year beginning <b>01/01/2012</b> and ending <b>12/31/2012</b> |                                                                        |            |
| <b>A</b> Name of plan<br><b>PLY GEM GROUP PENSION PLAN</b>                                               | <b>B</b> Three-digit plan number (PN) ►                                | <b>001</b> |
|                                                                                                          |                                                                        |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>PLY GEM INDUSTRIES, INC</b>          | <b>D</b> Employer Identification Number (EIN)<br><br><b>11-1727150</b> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**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 |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    | 408098                |                 |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   | 12221634              | 13401341        |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 12629732              | 13401341        |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 12629732 | 13401341 |
|-----------------------------------------------------------|-----------|----------|----------|

**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) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 578052     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 578052    |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 0         |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 0         |

|                                                                                                |               | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------|---------------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                             | <b>2b(6)</b>  |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                             | <b>2b(7)</b>  |            | 573641    |
| (8) Net investment gain (loss) from master trust investment accounts .....                     | <b>2b(8)</b>  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                           | <b>2b(9)</b>  |            |           |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | <b>2b(10)</b> |            | 873070    |
| <b>c</b> Other income.....                                                                     | <b>2c</b>     |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....        | <b>2d</b>     |            | 2024763   |

**Expenses**

|                                                                                            |              |         |         |
|--------------------------------------------------------------------------------------------|--------------|---------|---------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 1211733 |         |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |         |         |
| (3) Other .....                                                                            | <b>2e(3)</b> |         |         |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |         | 1211733 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |         |         |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |         |         |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |         |         |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |         |         |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |         |         |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |         |         |
| (4) Other .....                                                                            | <b>2i(4)</b> | 41421   |         |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |         | 41421   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |         | 1253154 |

**Net Income and Reconciliation**

|                                                                               |              |  |        |
|-------------------------------------------------------------------------------|--------------|--|--------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 771609 |
| <b>l</b> Transfers of assets:                                                 |              |  |        |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |        |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |        |

**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: HUGHES PITTMAN & GUPTON, LLP

(2) EIN: 56-1415202

**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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**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.).....

**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.).....

|           | Yes | No | Amount |
|-----------|-----|----|--------|
| <b>4a</b> |     | X  |        |
| <b>4b</b> |     | X  |        |

|                                                                                                                                                                                                                              | Yes | No | Amount  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>c</b> 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  |         |
| <b>d</b> 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  |         |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                      | X   |    | 5000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                      |     | X  |         |
| <b>g</b> 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  |         |
| <b>h</b> 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  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                | X   |    |         |
| <b>j</b> 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  |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                           |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                           |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                  |     |    |         |
| <b>n</b> 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. ....                                     |     |    |         |

**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) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |

## Part V Trust Information (optional)

**6a** Name of trust

**6b** Trust's EIN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

|                                                                                                 |                                                                    |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>PLY GEM GROUP PENSION PLAN</u>                                      | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>PLY GEM INDUSTRIES, INC</u> | <b>D</b> Employer Identification Number (EIN)<br><u>11-1727150</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>22-1211670</u> |          |          |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>7</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (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) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                           |                              |                                        |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A            |
| <b>If the plan is a defined benefit plan, go to line 8.</b>                                                                                                                                                                                                                                                                                                               |                              |                                        |                                         |
| <b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                                        |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                                            | <b>6a</b>                    |                                        |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                                | <b>6b</b>                    |                                        |                                         |
| <b>c</b> 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).....                                                                                                                                                                                                                           | <b>6c</b>                    |                                        |                                         |
| <b>If you completed line 6c, skip lines 8 and 9.</b>                                                                                                                                                                                                                                                                                                                      |                              |                                        |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A            |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                                | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> 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. If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                             |                              |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.)..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

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

- 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 lines (a) through (c)

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

Stock: 48% Investment-Grade Debt: 50% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: 2%

- 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 line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_



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**Independent Auditors' Report**

Benefits Committee  
Ply Gem Group Pension Plan  
Cary, North Carolina

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Ply Gem Group Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer of Opinion**

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Prudential Retirement Insurance and Annuity Company and Prudential Bank & Trust, F.S.B, the custodian and trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the custodian and trustee hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the custodian and trustee as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the custodian and trustee is complete and accurate.

## **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements and supplemental schedule.

## **Other Matters**

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

The supplemental Schedule H, Line 4i - Schedule of Assets Held as of End of Year that accompanies the Plan's financial statements does not disclose historical cost information relating to investments held as of the end of the year. Disclosure of this information is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

## **Report on Form and Content in Compliance With DOL Rules and Regulations**

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 custodian and 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

*Hughes Pottman & Aughton, LLP*

Raleigh, North Carolina  
October 11, 2013

**Ply Gem Group Pension Plan**  
**11-1727150/001 2012 Plan Year**

**Schedule SB Line 19, - Discounted Employer Contributions**

**Display of Discounted Contributions**

| <b>Date Paid</b> | <b>Employer Contribution</b> | <b>Discounted to Jan. 1, 2012</b> | <b>Plan Year</b> |
|------------------|------------------------------|-----------------------------------|------------------|
| 4/13/2012        | \$192,684                    | \$189,070                         | 2012             |
| 7/20/2012        | \$192,684                    | \$185,666                         | 2012             |
| 10/12/2012       | \$192,684                    | \$182,848                         | 2012             |
|                  |                              |                                   | 2012             |
|                  | \$578,052                    | \$557,584                         |                  |

The applicable effective interest rate is 6.96%. The applicable effective interest rate for the late quarterly contributions is 11.96%.

**Ply Gem Group Pension Plan**  
**EIN/PN: 11-1727150/001 Plan Year: 2012**  
**Description of Weighted Average Retirement Age**  
**Schedule SB, Line 22**

| <u>Age</u> | <u>Probability</u> | <u>Number Retiring</u> | <u>Number Remaining</u> | <u>Result</u>    |
|------------|--------------------|------------------------|-------------------------|------------------|
| 55         | 1.60%              | 0.016000               | 0.984000                | 0.880000         |
| 56         | 1.65%              | 0.016236               | 0.967764                | 0.909216         |
| 57         | 1.70%              | 0.016452               | 0.951312                | 0.937763         |
| 58         | 1.75%              | 0.016648               | 0.934664                | 0.965582         |
| 59         | 1.80%              | 0.016824               | 0.917840                | 0.992613         |
| 60         | 1.85%              | 0.016980               | 0.900860                | 1.018803         |
| 61         | 1.90%              | 0.017116               | 0.883744                | 1.044097         |
| 62         | 10.00%             | 0.088374               | 0.795369                | 5.479211         |
| 63         | 2.80%              | 0.022270               | 0.773099                | 1.403032         |
| 64         | 3.00%              | 0.023193               | 0.749906                | 1.484350         |
| 65         | 100.00%            | 0.749906               | 0.000000                | 48.743892        |
|            |                    |                        |                         | <b>63.858558</b> |

## Actuarial Cost Method

### I. ACTUARIAL COST METHOD

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in “Plan Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

#### Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants plus an estimate of the expenses to be paid from the plan assets during the plan year.

#### Target Liability and Funding Shortfall

As of January 1, 2008, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

#### Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 4 months prior to the valuation date.

In addition, beginning with the 2012 plan year, solely for purposes of determining the minimum required contribution level, applicability of benefit restrictions, and for the at-risk determination, the adjusted 24-month average segment rates established by the Moving Ahead for Progress in the 21st Century Act (MAP-21) have been incorporated.

The adjusted 24-month average segment rates are generated by taking the unadjusted 24-month average segment rates for the sponsor-chosen lookback month and adjusting them so that each individual segment rate is not outside of the stipulated corridor around the corresponding 25-year average segment rate for the given plan year. For the 2012 plan year, the stipulated corridor is 90% - 110% of these 25-year average segment rates.

The plan sponsor elected not to phase in the new interest rate basis. Refer to the plan assumptions section (Appendix E) for additional detail.

### II. ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

All funds invested are valued in the following manner:

#### Definitions

- i(t)      assumed growth rate, set equal to the lesser of the expected return on assets or the applicable 3<sup>rd</sup> segment rate for Plan Year t.
- C(t)      sum of contributions and other additions to the fund from all sources other than investment transactions in Plan Year t

## Actuarial Cost Method

|          |                                                                                                                             |
|----------|-----------------------------------------------------------------------------------------------------------------------------|
| $W(t)$   | sum of all withdrawals and other decreases to the fund from all sources other than investment transactions in Plan Year $t$ |
| $AV(t)$  | Actuarial Value of Assets as of Plan Year $t$                                                                               |
| $MV(t)$  | Market Value of Assets as of Plan Year $t$                                                                                  |
| $EV(t)$  | Expected Value of Assets as of Plan Year $t$                                                                                |
| $G/L(t)$ | Gain or Loss for Plan Year $t$                                                                                              |

### Method

A description of the method used to determine the current year's Actuarial Value of Assets  $\{AV(t)\}$  is below.

For the preceding 2 years,  $G/L(t)$  is determined as follows:

$$EV(t) = MV(t-1) * (1 + i(t-1)) + [C(t-1) - W(t-1)] * (1 + i(t-1) * m)$$

Where  $m$  represents a proportionate yield consistent with the portion of the year for which  $C$  and  $W$  are invested

$$G/L(t-1) = EV(t) - MV(t)$$

For the current year,  $AV(t)$  is determined as follows:

$$AV(t) = MV(t) + 2/3 * G/L(t-1) + 1/3 * G/L(t-2)$$

### Corridor Limits

The Actuarial Value of Assets may not be less than 90% or more than 110% of the current market value of plan assets as of the applicable valuation date [as required by IRC Section 430(g)(3)(B)(iii)]

Please note, as highlighted above, the assumed asset growth rate for each year is limited to the applicable 3<sup>rd</sup> segment rate by law. As a result, if the plan's expected rate of return is greater than this applicable rate, this method is expected to produce an actuarial value of assets that can be expected to be slightly less than the market value of assets, on average.

## Actuarial Assumptions

The Mortality and Discount Rates are prescribed assumptions for finding which have been applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectation) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

### Mortality

PPA Funding: The IRS 2012 Static Mortality Table

ASC-960: The IRS 2012 Static Mortality Table

### Discount Rate

For minimum required contribution level, applicability of benefit restrictions, and at risk determination only: Segment Rates with a 4 month lookback, as adjusted by the 90% - 110% corridor around the 25-year average segment rates

| <u>Years</u> | <u>Rate</u> |
|--------------|-------------|
| 0 – 5        | 5.54%       |
| 6 – 20       | 6.85%       |
| 21 +         | 7.52%       |

For all other purposes, including accounting: Segment Rates with a 4 month lookback, unadjusted

| <u>Years</u> | <u>Rate</u> |
|--------------|-------------|
| 0 – 5        | 2.06%       |
| 6 – 20       | 5.25%       |
| 21 +         | 6.32%       |

Effective Rate: 6.96%

### Interest Rate

(ASC 960 Accounting)

8.00% per annum

### Termination

Annual Withdrawal Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 20         | 5.43%       |
| 25         | 5.29%       |
| 30         | 5.07%       |
| 35         | 4.70%       |
| 40         | 3.50%       |
| 45         | 1.77%       |
| 50         | 0.40%       |
| 55+        | 0.00%       |

This is the Sarason T-2 Table.

### Retirement Age

Annual Retirement Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 55         | 1.60%       |
| 56         | 1.65%       |
| 57         | 1.70%       |

## Actuarial Assumptions

|    |       |
|----|-------|
| 58 | 1.75% |
| 59 | 1.80% |
| 60 | 1.85% |
| 61 | 1.90% |
| 62 | 10.0% |
| 63 | 2.80% |
| 64 | 3.00% |
| 65 | 100%  |

Participants at or beyond the age of 65 are assumed to retire immediately.

**Salary Scale** Not Applicable

**Expenses** \$25,000

**Form of Annuity** Life Annuity

For the purposes of valuing death benefits, 80% of the employees are assumed to be married. Wives are assumed to be three years younger.

## Plan Provisions

### Service

**Ply Gem:** Service includes all employment from an employee's date of hire with the Company (with exceptions noted below) and/or with Hoover Universal, Inc. to his retirement date.

Employees of Variform, Inc., Great Lakes Window Inc. and Goldenberg Plywood & Lumber Co. Inc. will receive service credit only for service after October 1, 1985.

Employees of Hoover Treated Wood Products, Inc. who are salesmen will receive service credit starting on October 1, 1985.

Employees of Hoover Treated Wood Products, Inc. will receive service credit starting on November 1, 1977.

**Hoover:** One year of Credited Service is credited for each calendar year in which the participant completed 1,700 or more hours of service excluding hours of service performed during the eligibility computation period. Participants who work less than 1,700 hours receive 1/10 year of Credited Service for each 170 hours or more of service.

### Average Pay

**Ply Gem:** The highest average of total pay (including overtime, bonuses, and commissions) during any five consecutive calendar years, within the 10 calendar year period prior to termination of employment. Average pay is limited to \$100,000.

**Hoover:** Not Applicable.

### Form of Annuity

Single Member: Life Annuity

Married Member: Actuarially Equivalent 50% Spouse Joint & Survivor Annuity.

### Normal Retirement Date

Normal Retirement Date is the first day of the month coincident with or next following the attainment of age 65.

### Eligibility

**Ply Gem:** All salaried and hourly non-union employees of Ply Gem Industries, Inc. and participating companies, excluding collective bargaining unit employees and employees paid on an hourly basis by Hoover Treated Wood Products, Inc.

**Hoover:** Any employee of Hoover Treated Wood Products who is compensated exclusively on other than a salaried basis is eligible for plan participation on his date of employment.

## Plan Provisions

### Participation Eligibility

**Ply Gem:** After six months of service, employee is eligible for enrollment on the following October 1, provided 1,000 hours of service is completed during the first 12 months of employment.

**Hoover:** Immediate participation.

### Frozen Plan

The plan was frozen for all participants as of December 31, 1998. No future participation, credited service, or change in accrued benefits is permitted after that date.

### Benefit Formula

**Ply Gem:** 15% of average pay up to employee's Social Security covered compensation level (1987 Table) plus 30% of such pay above employee's Social Security covered compensation level, reduced for less than 20 years of service at normal retirement date.

Employees who were participants of the plan before October 1, 1987 will receive a benefit not less than that determined under the prior plan benefit formula and the plan's normal form of payment assuming continued employment to age 65 at the employee's compensation in effect on September 30, 1986.

**Hoover:** \$84 for each year of Credited Service.

### Income Payable

Amount described in sections (a) or (b) below, whichever applies:

- a. If Participant has a Spouse as of his retirement date and does not elect otherwise, retirement income shall be paid on the basis of Joint and Survivor form, as stipulated by ERISA, and will be the amount determined under the benefit formula multiplied by
- b. If Participant either has no Spouse as of his retirement date or elects to receive his income under the Normal Form, retirement income will be the amount determined under the benefit formula.

### Accrued Benefit

**Ply Gem:** Normal Retirement Benefit based on the credited service projected to Normal Retirement Date multiplied by the ratio (not exceeding 1) of the credited service at termination over the credited service projected to Normal Retirement Date.

**Hoover:** \$84 for each year of Credited Service.

### Early Eligibility

**Ply Gem:** Age 55 and 10 years of vesting service.

**Hoover:** Age 60 and 10 years of vesting service.

## Plan Provisions

### Early Benefit Amount

Accrued benefit reduced by 5/9 of 1% for each of the first 60 months and 5/18 of 1% for each of the next 60 months by which the commencement of benefits precedes Normal Retirement Date.

### Vesting Schedule

5-years of service equals 100% vesting.

### Vested Benefit

Benefit accrued to date of termination adjusted by the appropriate vesting percentage.

### Preretirement Spouse Benefit

#### *A. Eligibility:*

Eligible for early retirement.

#### *Benefit Formula:*

50% of the pension benefit accrued to date of death reduced by appropriate early retirement and joint-and-survivor factors.

#### *B. Eligibility:*

Eligible for vesting but not eligible for early retirement.

#### *Benefit Formula:*

50% of the vested pension benefit accrued to date of death, payment deferred to no earlier than the early retirement date of the deceased Participant and reduced by the appropriate early retirement and joint-and-survivor factors.

### Disability Retirement Benefit

#### *Eligibility:*

**Ply Gem:** Eligible for disability under Social Security Act and attained age 55 with 10 years of service.

**Hoover:** 10 years of vesting service and permanently disabled.

#### *Amount:*

**Ply Gem:** Accrued Benefit reduced by 5/9 of 1% for each of the first 60 months and 5/18 of 1% for each of the next 60 months by which commencement of benefits precedes Normal Retirement Date.

**Hoover:** Equal to twice the benefit accrued at date of disability. No reduction for early commencement. Benefit commencement deferral if participant is in receipt of benefits under Company's long-term disability program.

## Distribution of Active Participants by Age and Service

Number of Active Employees as of January 1, 2012 – Distribution by Age and Service

| Attained<br>Age | Years of Credited Service |            |            |              |              |              |              |              |              |             |              |
|-----------------|---------------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
|                 | <u>Under 1</u>            | <u>1-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30-34</u> | <u>35-39</u> | <u>40 +</u> | <u>Total</u> |
| Under 25        |                           |            |            |              |              |              |              |              |              |             |              |
| 25-29           |                           |            |            |              |              |              |              |              |              |             |              |
| 30-34           |                           |            |            | 4            | 1            |              |              |              |              |             | 5            |
| 35-39           |                           |            |            | 4            | 19           | 3            |              |              |              |             | 26           |
| 40-44           |                           |            |            | 4            | 26           | 17           | 1            |              |              |             | 48           |
| 45-49           |                           |            |            | 9            | 21           | 12           | 5            |              |              |             | 47           |
| 50-54           |                           |            |            | 5            | 26           | 11           | 3            | 1            |              |             | 46           |
| 55-59           |                           |            |            | 2            | 22           | 9            | 2            | 2            | 1            |             | 38           |
| 60-64           |                           |            |            | 3            | 13           | 5            |              |              | 1            |             | 22           |
| 65-69           |                           |            |            | 1            |              | 1            | 1            |              |              |             | 3            |
| 70 +            |                           |            |            |              | 1            | 1            |              |              |              |             | 2            |
| Total           |                           |            |            | 32           | 129          | 59           | 12           | 3            | 2            |             | 237          |

**Section IV****Minimum Contribution Amortization**

The prior year amortization values and the development of the amortization for the 2012 plan year are shown below.

**I. Prior Year Amortization Amounts**

| <u>Plan Year</u> | <u>Installment</u> | <u>PV Factor</u> | <u>Present Value</u> |
|------------------|--------------------|------------------|----------------------|
| 2011             | 197,214            | 5.219924         | 1,029,442            |
| 2010             | 173,233            | 4.501919         | 779,881              |
| 2009             | 12,266             | 3.695907         | 45,334               |
| 2008             | 363,022            | 2.845279         | 1,032,899            |
| 2007             | 0                  | 1.000000         | 0                    |
| 2006             | 0                  | 1.000000         | 0                    |
|                  | <b>\$745,735</b>   |                  | <b>\$ 2,887,556</b>  |

**II. Current Year Amortization**

|                                                              |             |
|--------------------------------------------------------------|-------------|
| Exemption from Current Year Amortization                     | No          |
| 1. Funding Shortfall to be amortized                         | \$1,488,159 |
| 2. Present Value of Prior Year Amortization Installments     | 2,887,556   |
| 3. Current Year Amortization Base<br>(1 - 2)                 | (1,399,397) |
| 4. Shortfall Amortization Factor                             | 5.891900    |
| 5. Current Year Amortization Installment<br>(3 divided by 4) | (237,512)   |
| 6. Sum of Prior Year Amortization Installments               | 745,735     |
| 7. Net Shortfall Amortization Charge<br>(5 + 6)              | \$508,223   |

**SCHEDULE SB  
(Form 5500)**

Department of the Treasury

Internal Revenue Service

Department of Labor

Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan  
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2012****This Form is Open to Public  
Inspection**For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |  |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><br>PLY GEM GROUP PENSION PLAN                                                                                   |  | <b>B</b> Three-digit plan number (PN) ▶<br><br>001                                                                                                      |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><br>PLY GEM INDUSTRIES, INC                                   |  | <b>D</b> Employer Identification Number (EIN)<br><br>11-1727150                                                                                         |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B |  | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

**Part I Basic Information**

|                                                                                                                                                                                                                 |                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>1</b> Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2012</u>                                                                                                                                 |                            |
| <b>2</b> Assets:                                                                                                                                                                                                |                            |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b> 12,618,184       |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> 13,200,488       |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                            |                            |
| (1) Number of participants (2) Funding Target                                                                                                                                                                   |                            |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                      | <b>3a</b> 257 7,680,315    |
| <b>b</b> For terminated vested participants.....                                                                                                                                                                | <b>3b</b> 483 6,001,017    |
| <b>c</b> For active participants:                                                                                                                                                                               |                            |
| (1) Non-vested benefits .....                                                                                                                                                                                   | <b>3c(1)</b> 9,097         |
| (2) Vested benefits .....                                                                                                                                                                                       | <b>3c(2)</b> 998,218       |
| (3) Total active.....                                                                                                                                                                                           | <b>3c(3)</b> 237 1,007,315 |
| <b>d</b> Total.....                                                                                                                                                                                             | <b>3d</b> 977 14,688,647   |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                           |                            |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                  |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                  |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b> 6.96              |
| <b>6</b> Target normal cost .....                                                                                                                                                                               | <b>6</b> 25,000            |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                   |                               |                                        |
|-------------------|-------------------------------|----------------------------------------|
| <b>SIGN HERE</b>  | Darlene T. Buxton <i>DTB</i>  | 9/17/2013                              |
|                   | Signature of actuary          | Date                                   |
| Darlene T. Buxton | Type or print name of actuary | 11-06222                               |
|                   |                               | Most recent enrollment number          |
| PRIAC             | Firm name                     | (860) 534-2303                         |
| P.O. Box 2975     |                               | Telephone number (including area code) |
| Hartford          | CT 06104                      |                                        |
|                   | Address of the firm           |                                        |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2012  
v. 120126

| <b>Part II Beginning of Year Carryover Prefunding Balances</b> |                                                                                                                                   | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b>                                                       | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                   | 0                     | 0                      |
| <b>8</b>                                                       | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                | 0                     | 0                      |
| <b>9</b>                                                       | Amount remaining (line 7 minus line 8) .....                                                                                      | 0                     | 0                      |
| <b>10</b>                                                      | Interest on line 9 using prior year's actual return of <u>(2.34)</u> % .....                                                      |                       |                        |
| <b>11</b>                                                      | Prior year's excess contributions to be added to prefunding balance:                                                              |                       |                        |
| <b>a</b>                                                       | Present value of excess contributions (line 38a from prior year) .....                                                            |                       | 827                    |
| <b>b</b>                                                       | Interest on (a) using prior year's effective interest rate of <u>6.24</u> % except as otherwise provided (see instructions) ..... |                       | 52                     |
| <b>c</b>                                                       | Total available at beginning of current plan year to add to prefunding balance .....                                              |                       | 879                    |
| <b>d</b>                                                       | Portion of (c) to be added to prefunding balance .....                                                                            |                       | 0                      |
| <b>12</b>                                                      | Other reductions in balances due to elections or deemed elections .....                                                           | 0                     | 0                      |
| <b>13</b>                                                      | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                | 0                     | 0                      |

| <b>Part III Funding Percentages</b> |                                                                                                                                                                  |         |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| <b>14</b>                           | Funding target attainment percentage .....                                                                                                                       | 89.86 % |
| <b>15</b>                           | Adjusted funding target attainment percentage .....                                                                                                              | 89.86 % |
| <b>16</b>                           | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | 77.18 % |
| <b>17</b>                           | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | %       |

| <b>Part IV Contributions and Liquidity Shortfalls</b>                                    |                                   |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/13/2012                                                                               | 192,684                           |                                 |                          |                                   |                                 |
| 07/20/2012                                                                               | 192,684                           |                                 |                          |                                   |                                 |
| 10/12/2012                                                                               | 192,684                           |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>                                                                          |                                   |                                 | <b>18(b)</b>             | 578,052                           | <b>18(c)</b> 0                  |

|                                                                                                                                                                                                                          |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:                                                                                     |                    |
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....                                                                                                                     | <b>19a</b>         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                                                                                                       | <b>19b</b>         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....                                                                                                  | <b>19c</b> 557,584 |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                                                                                                              |                    |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? <span style="float: right;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>                                              |                    |
| <b>b</b> If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span> |                    |
| <b>c</b> If line 20a is "Yes," see instructions and complete the following table as applicable:                                                                                                                          |                    |
| Liquidity shortfall as of end of quarter of this plan year                                                                                                                                                               |                    |
| (1) 1st                                                                                                                                                                                                                  | (2) 2nd            |
| 0                                                                                                                                                                                                                        | 0                  |
| (3) 3rd                                                                                                                                                                                                                  | (4) 4th            |
| 0                                                                                                                                                                                                                        | 0                  |

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>5.54 % | 2nd segment:<br>6.85 % | 3rd segment:<br>7.52 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                        |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 64                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous Items**

|                                                                                                                                                                       |                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....                                   | <b>27</b>                                                           |

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> |   |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                            | <b>31a</b>          | 25,000             |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 1,488,159           | 508,223            |               |
| <b>b</b> Waiver amortization installment.....                                                                                                                                        | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           | 0                  |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....                                                          | <b>34</b>           | 533,223            |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 533,223            |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                   | <b>37</b>           | 557,584            |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 24,361             |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

|                                                                                               |                                         |                                   |                               |                               |
|-----------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:               |                                         |                                   |                               |                               |
| <b>a</b> Schedule elected .....                                                               | <input type="checkbox"/> 2 plus 7 years | <input type="checkbox"/> 15 years |                               |                               |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....              | <input type="checkbox"/> 2008           | <input type="checkbox"/> 2009     | <input type="checkbox"/> 2010 | <input type="checkbox"/> 2011 |
| <b>42</b> Amount of acceleration adjustment .....                                             | <b>42</b>                               |                                   |                               |                               |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years..... | <b>43</b>                               |                                   |                               |                               |

**Ply Gem Group Pension Plan**  
**EIN/PN: 11-1727150/001 Plan Year: 2012**  
**Description of Weighted Average Retirement Age**  
**Schedule SB, Line 22**

| <u>Age</u> | <u>Probability</u> | <u>Number Retiring</u> | <u>Number Remaining</u> | <u>Result</u>    |
|------------|--------------------|------------------------|-------------------------|------------------|
| 55         | 1.60%              | 0.016000               | 0.984000                | 0.880000         |
| 56         | 1.65%              | 0.016236               | 0.967764                | 0.909216         |
| 57         | 1.70%              | 0.016452               | 0.951312                | 0.937763         |
| 58         | 1.75%              | 0.016648               | 0.934664                | 0.965582         |
| 59         | 1.80%              | 0.016824               | 0.917840                | 0.992613         |
| 60         | 1.85%              | 0.016980               | 0.900860                | 1.018803         |
| 61         | 1.90%              | 0.017116               | 0.883744                | 1.044097         |
| 62         | 10.00%             | 0.088374               | 0.795369                | 5.479211         |
| 63         | 2.80%              | 0.022270               | 0.773099                | 1.403032         |
| 64         | 3.00%              | 0.023193               | 0.749906                | 1.484350         |
| 65         | 100.00%            | 0.749906               | 0.000000                | 48.743892        |
|            |                    |                        |                         | <b>63.858558</b> |

## Actuarial Cost Method

### I. ACTUARIAL COST METHOD

Costs have been computed in accordance with the Unit Credit Actuarial Cost Method and reflect the actuarial assumptions described in “Plan Assumptions” of this report as provided under the applicable regulations of the Pension Protection Act of 2006.

#### Target Normal Cost

The Target Normal Cost is the present value of benefits expected to accrue during the plan year for all Participants plus an estimate of the expenses to be paid from the plan assets during the plan year.

#### Target Liability and Funding Shortfall

As of January 1, 2008, a Target Liability is established which represents the present value of accrued benefits. This Target Liability is offset by adjusted assets, and the remainder (i.e. Funding Shortfall), if any, is amortized over seven years.

Subsequent changes in the Funding Shortfall due to asset experience, liability experience, plan amendments, and/or actuarial assumption changes will be amortized over a seven year period from their valuation dates.

#### Discount Rate

The plan sponsor has elected to use the Segment Rate approach for discount rate purposes, with an applicable month that is 4 months prior to the valuation date.

In addition, beginning with the 2012 plan year, solely for purposes of determining the minimum required contribution level, applicability of benefit restrictions, and for the at-risk determination, the adjusted 24-month average segment rates established by the Moving Ahead for Progress in the 21st Century Act (MAP-21) have been incorporated.

The adjusted 24-month average segment rates are generated by taking the unadjusted 24-month average segment rates for the sponsor-chosen lookback month and adjusting them so that each individual segment rate is not outside of the stipulated corridor around the corresponding 25-year average segment rate for the given plan year. For the 2012 plan year, the stipulated corridor is 90% - 110% of these 25-year average segment rates.

The plan sponsor elected not to phase in the new interest rate basis. Refer to the plan assumptions section (Appendix E) for additional detail.

### II. ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

All funds invested are valued in the following manner:

#### Definitions

- i(t) assumed growth rate, set equal to the lesser of the expected return on assets or the applicable 3<sup>rd</sup> segment rate for Plan Year t.
- C(t) sum of contributions and other additions to the fund from all sources other than investment transactions in Plan Year t

## Actuarial Cost Method

|          |                                                                                                                             |
|----------|-----------------------------------------------------------------------------------------------------------------------------|
| $W(t)$   | sum of all withdrawals and other decreases to the fund from all sources other than investment transactions in Plan Year $t$ |
| $AV(t)$  | Actuarial Value of Assets as of Plan Year $t$                                                                               |
| $MV(t)$  | Market Value of Assets as of Plan Year $t$                                                                                  |
| $EV(t)$  | Expected Value of Assets as of Plan Year $t$                                                                                |
| $G/L(t)$ | Gain or Loss for Plan Year $t$                                                                                              |

### Method

A description of the method used to determine the current year's Actuarial Value of Assets  $\{AV(t)\}$  is below.

For the preceding 2 years,  $G/L(t)$  is determined as follows:

$$EV(t) = MV(t-1) * (1 + i(t-1)) + [C(t-1) - W(t-1)] * (1 + i(t-1) * m)$$

Where  $m$  represents a proportionate yield consistent with the portion of the year for which  $C$  and  $W$  are invested

$$G/L(t-1) = EV(t) - MV(t)$$

For the current year,  $AV(t)$  is determined as follows:

$$AV(t) = MV(t) + 2/3 * G/L(t-1) + 1/3 * G/L(t-2)$$

### Corridor Limits

The Actuarial Value of Assets may not be less than 90% or more than 110% of the current market value of plan assets as of the applicable valuation date [as required by IRC Section 430(g)(3)(B)(iii)]

Please note, as highlighted above, the assumed asset growth rate for each year is limited to the applicable 3<sup>rd</sup> segment rate by law. As a result, if the plan's expected rate of return is greater than this applicable rate, this method is expected to produce an actuarial value of assets that can be expected to be slightly less than the market value of assets, on average.

## Actuarial Assumptions

The Mortality and Discount Rates are prescribed assumptions for finding which have been applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectation) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

### Mortality

PPA Funding: The IRS 2012 Static Mortality Table

ASC-960: The IRS 2012 Static Mortality Table

### Discount Rate

For minimum required contribution level, applicability of benefit restrictions, and at risk determination only: Segment Rates with a 4 month lookback, as adjusted by the 90% - 110% corridor around the 25-year average segment rates

| <u>Years</u> | <u>Rate</u> |
|--------------|-------------|
| 0 – 5        | 5.54%       |
| 6 – 20       | 6.85%       |
| 21 +         | 7.52%       |

For all other purposes, including accounting: Segment Rates with a 4 month lookback, unadjusted

| <u>Years</u> | <u>Rate</u> |
|--------------|-------------|
| 0 – 5        | 2.06%       |
| 6 – 20       | 5.25%       |
| 21 +         | 6.32%       |

Effective Rate: 6.96%

### Interest Rate

(ASC 960 Accounting)

8.00% per annum

### Termination

Annual Withdrawal Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 20         | 5.43%       |
| 25         | 5.29%       |
| 30         | 5.07%       |
| 35         | 4.70%       |
| 40         | 3.50%       |
| 45         | 1.77%       |
| 50         | 0.40%       |
| 55+        | 0.00%       |

This is the Sarason T-2 Table.

### Retirement Age

Annual Retirement Rates:

| <u>Age</u> | <u>Rate</u> |
|------------|-------------|
| 55         | 1.60%       |
| 56         | 1.65%       |
| 57         | 1.70%       |

## Actuarial Assumptions

|    |       |
|----|-------|
| 58 | 1.75% |
| 59 | 1.80% |
| 60 | 1.85% |
| 61 | 1.90% |
| 62 | 10.0% |
| 63 | 2.80% |
| 64 | 3.00% |
| 65 | 100%  |

Participants at or beyond the age of 65 are assumed to retire immediately.

**Salary Scale** Not Applicable

**Expenses** \$25,000

**Form of Annuity** Life Annuity

For the purposes of valuing death benefits, 80% of the employees are assumed to be married. Wives are assumed to be three years younger.

## Plan Provisions

### Service

**Ply Gem:** Service includes all employment from an employee's date of hire with the Company (with exceptions noted below) and/or with Hoover Universal, Inc. to his retirement date.

Employees of Variform, Inc., Great Lakes Window Inc. and Goldenberg Plywood & Lumber Co. Inc. will receive service credit only for service after October 1, 1985.

Employees of Hoover Treated Wood Products, Inc. who are salesmen will receive service credit starting on October 1, 1985.

Employees of Hoover Treated Wood Products, Inc. will receive service credit starting on November 1, 1977.

**Hoover:** One year of Credited Service is credited for each calendar year in which the participant completed 1,700 or more hours of service excluding hours of service performed during the eligibility computation period. Participants who work less than 1,700 hours receive 1/10 year of Credited Service for each 170 hours or more of service.

### Average Pay

**Ply Gem:** The highest average of total pay (including overtime, bonuses, and commissions) during any five consecutive calendar years, within the 10 calendar year period prior to termination of employment. Average pay is limited to \$100,000.

**Hoover:** Not Applicable.

### Form of Annuity

Single Member: Life Annuity

Married Member: Actuarially Equivalent 50% Spouse Joint & Survivor Annuity.

### Normal Retirement Date

Normal Retirement Date is the first day of the month coincident with or next following the attainment of age 65.

### Eligibility

**Ply Gem:** All salaried and hourly non-union employees of Ply Gem Industries, Inc. and participating companies, excluding collective bargaining unit employees and employees paid on an hourly basis by Hoover Treated Wood Products, Inc.

**Hoover:** Any employee of Hoover Treated Wood Products who is compensated exclusively on other than a salaried basis is eligible for plan participation on his date of employment.

## Plan Provisions

### Participation Eligibility

**Ply Gem:** After six months of service, employee is eligible for enrollment on the following October 1, provided 1,000 hours of service is completed during the first 12 months of employment.

**Hoover:** Immediate participation.

### Frozen Plan

The plan was frozen for all participants as of December 31, 1998. No future participation, credited service, or change in accrued benefits is permitted after that date.

### Benefit Formula

**Ply Gem:** 15% of average pay up to employee's Social Security covered compensation level (1987 Table) plus 30% of such pay above employee's Social Security covered compensation level, reduced for less than 20 years of service at normal retirement date.

Employees who were participants of the plan before October 1, 1987 will receive a benefit not less than that determined under the prior plan benefit formula and the plan's normal form of payment assuming continued employment to age 65 at the employee's compensation in effect on September 30, 1986.

**Hoover:** \$84 for each year of Credited Service.

### Income Payable

Amount described in sections (a) or (b) below, whichever applies:

- a. If Participant has a Spouse as of his retirement date and does not elect otherwise, retirement income shall be paid on the basis of Joint and Survivor form, as stipulated by ERISA, and will be the amount determined under the benefit formula multiplied by
- b. If Participant either has no Spouse as of his retirement date or elects to receive his income under the Normal Form, retirement income will be the amount determined under the benefit formula.

### Accrued Benefit

**Ply Gem:** Normal Retirement Benefit based on the credited service projected to Normal Retirement Date multiplied by the ratio (not exceeding 1) of the credited service at termination over the credited service projected to Normal Retirement Date.

**Hoover:** \$84 for each year of Credited Service.

### Early Eligibility

**Ply Gem:** Age 55 and 10 years of vesting service.

**Hoover:** Age 60 and 10 years of vesting service.

## Plan Provisions

### Early Benefit Amount

Accrued benefit reduced by 5/9 of 1% for each of the first 60 months and 5/18 of 1% for each of the next 60 months by which the commencement of benefits precedes Normal Retirement Date.

### Vesting Schedule

5-years of service equals 100% vesting.

### Vested Benefit

Benefit accrued to date of termination adjusted by the appropriate vesting percentage.

### Preretirement Spouse Benefit

#### *A. Eligibility:*

Eligible for early retirement.

#### *Benefit Formula:*

50% of the pension benefit accrued to date of death reduced by appropriate early retirement and joint-and-survivor factors.

#### *B. Eligibility:*

Eligible for vesting but not eligible for early retirement.

#### *Benefit Formula:*

50% of the vested pension benefit accrued to date of death, payment deferred to no earlier than the early retirement date of the deceased Participant and reduced by the appropriate early retirement and joint-and-survivor factors.

### Disability Retirement Benefit

#### *Eligibility:*

**Ply Gem:** Eligible for disability under Social Security Act and attained age 55 with 10 years of service.

**Hoover:** 10 years of vesting service and permanently disabled.

#### *Amount:*

**Ply Gem:** Accrued Benefit reduced by 5/9 of 1% for each of the first 60 months and 5/18 of 1% for each of the next 60 months by which commencement of benefits precedes Normal Retirement Date.

**Hoover:** Equal to twice the benefit accrued at date of disability. No reduction for early commencement. Benefit commencement deferral if participant is in receipt of benefits under Company's long-term disability program.

## Distribution of Active Participants by Age and Service

### Number of Active Employees as of January 1, 2012 – Distribution by Age and Service

| Attained<br>Age | Years of Credited Service |            |            |              |              |              |              |              |              |             |              |
|-----------------|---------------------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
|                 | <u>Under 1</u>            | <u>1-4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30-34</u> | <u>35-39</u> | <u>40 +</u> | <u>Total</u> |
| Under 25        |                           |            |            |              |              |              |              |              |              |             |              |
| 25-29           |                           |            |            |              |              |              |              |              |              |             |              |
| 30-34           |                           |            |            | 4            | 1            |              |              |              |              |             | 5            |
| 35-39           |                           |            |            | 4            | 19           | 3            |              |              |              |             | 26           |
| 40-44           |                           |            |            | 4            | 26           | 17           | 1            |              |              |             | 48           |
| 45-49           |                           |            |            | 9            | 21           | 12           | 5            |              |              |             | 47           |
| 50-54           |                           |            |            | 5            | 26           | 11           | 3            | 1            |              |             | 46           |
| 55-59           |                           |            |            | 2            | 22           | 9            | 2            | 2            | 1            |             | 38           |
| 60-64           |                           |            |            | 3            | 13           | 5            |              |              | 1            |             | 22           |
| 65-69           |                           |            |            | 1            |              | 1            | 1            |              |              |             | 3            |
| 70 +            |                           |            |            |              | 1            | 1            |              |              |              |             | 2            |
| Total           |                           |            |            | 32           | 129          | 59           | 12           | 3            | 2            |             | 237          |

**Section IV****Minimum Contribution Amortization**

The prior year amortization values and the development of the amortization for the 2012 plan year are shown below.

**I. Prior Year Amortization Amounts**

| <u>Plan Year</u> | <u>Installment</u> | <u>PV Factor</u> | <u>Present Value</u> |
|------------------|--------------------|------------------|----------------------|
| 2011             | 197,214            | 5.219924         | 1,029,442            |
| 2010             | 173,233            | 4.501919         | 779,881              |
| 2009             | 12,266             | 3.695907         | 45,334               |
| 2008             | 363,022            | 2.845279         | 1,032,899            |
| 2007             | 0                  | 1.000000         | 0                    |
| 2006             | 0                  | 1.000000         | 0                    |
|                  | <b>\$745,735</b>   |                  | <b>\$ 2,887,556</b>  |

**II. Current Year Amortization**

|                                                              |             |
|--------------------------------------------------------------|-------------|
| Exemption from Current Year Amortization                     | No          |
| 1. Funding Shortfall to be amortized                         | \$1,488,159 |
| 2. Present Value of Prior Year Amortization Installments     | 2,887,556   |
| 3. Current Year Amortization Base<br>(1 - 2)                 | (1,399,397) |
| 4. Shortfall Amortization Factor                             | 5.891900    |
| 5. Current Year Amortization Installment<br>(3 divided by 4) | (237,512)   |
| 6. Sum of Prior Year Amortization Installments               | 745,735     |
| 7. Net Shortfall Amortization Charge<br>(5 + 6)              | \$508,223   |

**PLY GEM GROUP PENSION PLAN**

**Financial Statements**

**December 31, 2012 and 2011**

# **PLY GEM GROUP PENSION PLAN**

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December 31, 2012 and 2011

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**Independent Auditors' Report**

Benefits Committee  
Ply Gem Group Pension Plan  
Cary, North Carolina

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Ply Gem Group Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

## **Basis for Disclaimer of Opinion**

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Prudential Retirement Insurance and Annuity Company and Prudential Bank & Trust, F.S.B, the custodian and trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the custodian and trustee hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained certifications from the custodian and trustee as of and for the years ended December 31, 2012 and 2011, that the information provided to the plan administrator by the custodian and trustee is complete and accurate.

## **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements and supplemental schedule.

## **Other Matters**

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule, which is the responsibility of plan management, is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedule referred to above.

The supplemental Schedule H, Line 4i - Schedule of Assets Held as of End of Year that accompanies the Plan's financial statements does not disclose historical cost information relating to investments held as of the end of the year. Disclosure of this information is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

## **Report on Form and Content in Compliance With DOL Rules and Regulations**

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 custodian and 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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

*Hughes Pottman & Stupson, LLP*

Raleigh, North Carolina  
October 11, 2013

## PLY GEM GROUP PENSION PLAN

### Statements of Net Assets Available for Benefits

December 31, 2012 and 2011

|                                              | <u>2012</u>          | <u>2011</u>       |
|----------------------------------------------|----------------------|-------------------|
| <b>Assets</b>                                |                      |                   |
| Plan interest in Master Trust, at fair value | \$ 13,401,341        | 12,221,634        |
| Receivables:                                 |                      |                   |
| Employer contributions receivable            | -                    | <u>408,098</u>    |
| Net assets available for benefits            | <u>\$ 13,401,341</u> | <u>12,629,732</u> |

*See accompanying notes to financial statements*

## PLY GEM GROUP PENSION PLAN

### Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2012 and 2011

|                                                           | <u>2012</u>                 | <u>2011</u>              |
|-----------------------------------------------------------|-----------------------------|--------------------------|
| <b>Additions</b>                                          |                             |                          |
| Additions to net assets attributed to:                    |                             |                          |
| Investment activity:                                      |                             |                          |
| Plan interest in Master Trust investment income (loss)    | \$ 1,446,711                | (314,625)                |
| Employer contributions                                    | <u>578,052</u>              | <u>819,491</u>           |
| Total additions                                           | <u>2,024,763</u>            | <u>504,866</u>           |
| <b>Deductions</b>                                         |                             |                          |
| Deductions from net assets attributed to:                 |                             |                          |
| Benefits paid to participants                             | 1,211,733                   | 871,683                  |
| Administrative expenses                                   | <u>41,421</u>               | <u>32,787</u>            |
| Total deductions                                          | <u>1,253,154</u>            | <u>904,470</u>           |
| Net increase (decrease)                                   | 771,609                     | (399,604)                |
| Net assets available for benefits as of beginning of year | <u>12,629,732</u>           | <u>13,029,336</u>        |
| Net assets available for benefits as of end of year       | <u><u>\$ 13,401,341</u></u> | <u><u>12,629,732</u></u> |

*See accompanying notes to financial statements*

## **PLY GEM GROUP PENSION PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

### **NOTE 1: DESCRIPTION OF THE PLAN**

The following description of the Ply Gem Group Pension Plan (the “Plan”) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan’s provisions.

#### **General**

The Plan, which was established December 31, 1976, is a noncontributory defined benefit pension plan which covers all salaried and hourly nonunion employees, excluding collective bargaining unit employees of Ply Gem Industries, Inc. (the “Company” or the “Plan Sponsor”) and participating companies, including Variform, Inc., Great Lakes Window, Inc., and Goldenberg Plywood & Lumber Company, Inc. Any hourly paid employee of Hoover Treated Wood Products, Inc. is also eligible for participation. Participation has been frozen as of December 31, 1998 thereby ceasing benefit accruals under the Plan. The plan participates in the Ply Gem Industries, Inc. Master Trust (the “Master Trust”). The Master Trust was formed to facilitate more cost-effective management of the investments of pension plans administered by Ply Gem Industries, Inc. Prudential Retirement Insurance and Annuity Company and Prudential Bank & Trust, F.S.B. serve as the Plan’s custodian and trustee. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The primary purpose of the Plan is to provide retirement benefits, based on compensation and length of credited service, to employees who attain normal retirement age. In addition, the Plan provides early, late, and disability retirement benefits to eligible participants and beneficiaries of deceased participants.

The Plan is administered by the Company’s Benefits Committee (“Committee”). The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan’s investments and monitors investment performance.

#### **Vesting**

All participants are fully vested.

#### **Pension Benefits**

Monthly pension benefits for participants retiring at age 65 are based on the participant’s average compensation and/or years of service. The Plan provides for early retirement at age 55 for participants with ten or more years of service.

## **PLY GEM GROUP PENSION PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

### **NOTE 1: DESCRIPTION OF THE PLAN (concluded)**

Upon retirement, participants can elect to receive benefits in the form of monthly payments or in certain instances, a lump-sum cash payment. The Plan allows for early distribution of benefits in the event a participant's accrued benefit is less than \$1,000.

#### **Death and Disability Benefits**

If an active participant dies after completing a minimum of ten years of vesting service, the participant's surviving spouse is entitled to a spouse's annuity benefit beginning the later of the first day of the month following the participant's death or the first day of the month following the earliest date the participant would have been able to receive the benefit had the participant lived.

Participants who become disabled and have attained the age of 55 with ten or more years of vesting service are entitled to receive disability retirement benefits. Such benefits are reduced by 5/9 of 1% for each of the first 60 months and 5/18 of 1% for each of the next 60 months by which commencement of benefits precedes the normal retirement date. Employees of Hoover Treated Wood Products, Inc. are eligible for benefits if they become permanently disabled and have completed ten or more years of vesting service. Such benefits are equal to twice the benefit accrued at the date of disability, and there is no reduction for early commencement. The benefits commence following the date the participant ceases to be eligible for disability benefits under the employer's disability income plan.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The financial statements of the Plan are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Benefit payments to participants are recorded when paid.

The plan administrator has evaluated subsequent events through October 11, 2013, the date the financial statements were available to be issued.

# **PLY GEM GROUP PENSION PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

## **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits as of January 1, 2012 and changes therein. Actual results could differ from those estimates and assumptions.

### **Investment Valuation and Income Recognition**

Investments in the Master Trust are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Within the Master Trust, purchases and sales of securities are recorded on a trade-date basis, interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. The Plan's interest in the Master Trust's income and loss includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### **Administrative Expenses**

The Plan's expenses are paid either by the Plan or the Company, as provided in the plan document. Expenses of maintaining the Plan that are paid directly by the Company are excluded from these financial statements. Trustee fees paid by the Plan are included in administrative expenses in these financial statements. Certain investment related expenses are included in plan interest in Master Trust investment income or loss presented in the accompanying statements of changes in net assets available for benefits.

### **Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

## PLY GEM GROUP PENSION PLAN

Notes to Financial Statements

December 31, 2012 and 2011

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to the service that employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by Prudential Financial, an independent consulting actuary, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts of interest) and the probability of payment (by means of decrements such as for death, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used as of January 1, 2012 are summarized as follows:

Discount rate on obligations - 6.96% as of January 1, 2012

Rate of return - 8.00% as of January 1, 2012

Mortality table - The Internal Revenue Service ("IRS") 2012 Static Mortality Table

Retirement age - For ages 55-64, probability of annual retirement rates range from 1.60% - 3.00%, age 65 is 100%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

As of January 1, 2012 the accumulated plan benefits were as follows:

Actuarial present value of accumulated plan benefits:

Vested benefits:

|                                                                |              |
|----------------------------------------------------------------|--------------|
| Participants and/or beneficiaries currently receiving benefits | \$ 7,073,595 |
|----------------------------------------------------------------|--------------|

|                     |         |
|---------------------|---------|
| Active participants | 884,060 |
|---------------------|---------|

|                                     |           |
|-------------------------------------|-----------|
| Participants with deferred benefits | 5,354,029 |
|-------------------------------------|-----------|

|                    |       |
|--------------------|-------|
| Nonvested benefits | 8,439 |
|--------------------|-------|

|                                                            |                      |
|------------------------------------------------------------|----------------------|
| Total actuarial present value of accumulated plan benefits | <u>\$ 13,320,123</u> |
|------------------------------------------------------------|----------------------|

## PLY GEM GROUP PENSION PLAN

Notes to Financial Statements

December 31, 2012 and 2011

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Changes in accumulated plan benefits for the year ending January 1, 2012 are summarized as follows:

|                                                                              |                             |
|------------------------------------------------------------------------------|-----------------------------|
| Actuarial present value of accumulated plan benefits as of beginning of year | <u>\$ 13,116,975</u>        |
| Changes during the year attributable to:                                     |                             |
| Actual benefits paid                                                         | (871,683)                   |
| Interest                                                                     | 1,013,933                   |
| Benefits accumulated and actuarial loss                                      | <u>60,898</u>               |
| Net increase                                                                 | <u>203,148</u>              |
| Actuarial present value of accumulated plan benefits as of end of year       | <u><u>\$ 13,320,123</u></u> |

The changes in accumulated plan benefits represent normal operation of the Plan. Changes consist primarily of those items of plan experience that are not associated with asset performance.

### NOTE 3: FUNDING POLICY

The Company's policy is to fund at least the actuarially computed minimum funding requirements of ERISA each year. The Plan met the ERISA minimum funding requirements for 2012 and 2011.

### NOTE 4: PLAN TERMINATION

Although the Company has not expressed intent to terminate the Plan, it reserves that right as provided in the Plan's agreement. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Benefits attributable to employee contributions, taking into account those paid out before termination.

## PLY GEM GROUP PENSION PLAN

Notes to Financial Statements

December 31, 2012 and 2011

### NOTE 4: PLAN TERMINATION (concluded)

- b. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- c. Other vested benefits insured by the Pension Benefit Guaranty Corporation (“PBGC”) (a United States government agency) up to the applicable limitations.
- d. All other vested benefits (that is, vested benefits not insured by the PBGC).
- e. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor’s pensions.

However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit projections is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan’s termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual’s monthly benefit that the PBGC guarantees. For plan terminations occurring during 2012, that ceiling is \$4,653 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan’s net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC.

## PLY GEM GROUP PENSION PLAN

Notes to Financial Statements

December 31, 2012 and 2011

### NOTE 5: INFORMATION CERTIFIED BY THE TRUSTEE AND CUSTODIAN

All investment information disclosed in the accompanying financial statements and supplemental schedule including investments held by the Master Trust as of December 31, 2012 and 2011, and investment income or loss for 2012 and 2011 were obtained or derived from information supplied to the plan administrator and certified as complete and accurate by the trustee and custodian.

|                                | <b>2012</b>         | <b>2011</b>       |
|--------------------------------|---------------------|-------------------|
| Plan interest in Master Trust  | <u>\$13,401,341</u> | <u>12,221,634</u> |
| Total investment income (loss) | <u>\$ 1,446,711</u> | <u>(314,625)</u>  |

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

The Plan's investments are in the Master Trust, which was established for the investment of assets of the Plan and one other Ply Gem Industries, Inc. sponsored retirement plan. Each participating retirement plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by the trustee and custodian. As of December 31, 2012 and 2011, the Plan's interest in the net assets of the Master Trust was approximately 45% and 46%. Investment income or loss and administrative expenses relating to the Master Trust are allocated to the individual plans in proportion to the value of each plan's participation as of the last day of each quarter.

The following table presents the fair values of investments for the Master Trust:

|                                   | <b>2012</b>          | <b>2011</b>       |
|-----------------------------------|----------------------|-------------------|
| Pooled separate accounts          | \$ 14,305,757        | 12,543,481        |
| Mutual funds                      | <u>15,474,326</u>    | <u>13,833,141</u> |
| Total investments                 | <u>\$ 29,780,083</u> | <u>26,376,622</u> |
| Plan interest in the Master Trust | <u>\$ 13,401,341</u> | <u>12,221,634</u> |

## PLY GEM GROUP PENSION PLAN

Notes to Financial Statements

December 31, 2012 and 2011

### NOTE 5: INFORMATION CERTIFIED BY THE TRUSTEE AND CUSTODIAN (concluded)

Investment activity for the Master Trust is as follows:

|                                                               | 2012         | 2011        |
|---------------------------------------------------------------|--------------|-------------|
| Net appreciation (depreciation) in fair value of investments: |              |             |
| Pooled separate accounts                                      | \$ 1,255,459 | 128,811     |
| Mutual funds                                                  | 1,706,379    | (1,294,838) |
|                                                               | 2,961,838    | (1,166,027) |
| Dividends                                                     | 201,576      | 485,661     |
| Total investment income (loss)                                | \$ 3,163,414 | (680,366)   |

### NOTE 6: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures* (“FASB ASC 820”), provides the 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 FASB ASC 820’s framework are described as follows:

**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.

# PLY GEM GROUP PENSION PLAN

Notes to Financial Statements

December 31, 2012 and 2011

## NOTE 6: FAIR VALUE MEASUREMENTS (continued)

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

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used as of December 31, 2012 and 2011.

**Mutual funds** - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

**Pooled separate accounts** - Valued at net asset value ("NAV") based on the market value of the underlying investments, such as equities, preferred stock, bonds, real estate, and mutual funds. The majority of the underlying securities have observable level 1 quoted pricing inputs. While the underlying asset values are quoted prices, the NAV of a pooled separate account is not publicly quoted.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's investments at fair value as of December 31, 2012 and 2011:

|                           | 2012                      |            |         |            |
|---------------------------|---------------------------|------------|---------|------------|
|                           | Investments at Fair Value |            |         |            |
|                           | Level 1                   | Level 2    | Level 3 | Total      |
| Mutual funds:             |                           |            |         |            |
| Mid cap                   | \$ 1,173,246              | -          | -       | 1,173,246  |
| Large cap                 | 6,529,643                 | -          | -       | 6,529,643  |
| Small value               | 467,811                   | -          | -       | 467,811    |
| Commodity                 | 1,419,186                 | -          | -       | 1,419,186  |
| Global/international      | 4,364,392                 | -          | -       | 4,364,392  |
| Inflation protection bond | 1,520,048                 | -          | -       | 1,520,048  |
| Total mutual funds        | 15,474,326                | -          | -       | 15,474,326 |
| Pooled separate accounts: |                           |            |         |            |
| Fixed income              | -                         | 12,628,799 | -       | 12,628,799 |
| Small cap                 | -                         | 470,005    | -       | 470,005    |

# PLY GEM GROUP PENSION PLAN

Notes to Financial Statements

December 31, 2012 and 2011

## NOTE 6: FAIR VALUE MEASUREMENTS (continued)

| <b>2012</b>                      |                |                |                |              |
|----------------------------------|----------------|----------------|----------------|--------------|
| <b>Investments at Fair Value</b> |                |                |                |              |
|                                  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Mid cap                          | -              | 1,206,953      | -              | 1,206,953    |
| Total pooled separate accounts   | -              | 14,305,757     | -              | 14,305,757   |
| Total investments at fair value  | \$ 15,474,326  | 14,305,757     | -              | 29,780,083   |
| <b>2011</b>                      |                |                |                |              |
| <b>Investments at Fair Value</b> |                |                |                |              |
|                                  | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Mutual funds:                    |                |                |                |              |
| Mid cap                          | \$ 1,031,716   | -              | -              | 1,031,716    |
| Large value                      | 2,897,948      | -              | -              | 2,897,948    |
| Small value                      | 392,972        | -              | -              | 392,972      |
| Large growth                     | 2,894,862      | -              | -              | 2,894,862    |
| Commodity                        | 1,302,426      | -              | -              | 1,302,426    |
| Global/international             | 3,995,634      | -              | -              | 3,995,634    |
| Inflation protection bond        | 1,317,583      | -              | -              | 1,317,583    |
| Total mutual funds               | 13,833,141     | -              | -              | 13,833,141   |
| Pooled separate accounts:        |                |                |                |              |
| Fixed income                     | -              | 11,069,591     | -              | 11,069,591   |
| Small cap                        | -              | 418,680        | -              | 418,680      |
| Mid cap                          | -              | 1,055,210      | -              | 1,055,210    |
| Total pooled separate accounts   | -              | 12,543,481     | -              | 12,543,481   |
| Total investments at fair value  | \$ 13,833,141  | 12,543,481     | -              | 26,376,622   |

# PLY GEM GROUP PENSION PLAN

Notes to Financial Statements

December 31, 2012 and 2011

## NOTE 6: FAIR VALUE MEASUREMENTS (concluded)

### Fair Value of Investments in Entities that Use NAV

As of December 31, 2012 and 2011, the aggregate fair value of the pooled separate accounts, valued at NAV, totaled \$14,305,757 and \$12,543,481. The pooled separate accounts have a daily redemption frequency and a redemption notice period of no longer than 12 months. There are no unfunded commitments.

## NOTE 7: INVESTMENTS

The following presents the fair value of individual investments as of December 31, 2012 and 2011 that represent 5% or more of the Plan's net assets.

|                               | 2012         | 2011       |
|-------------------------------|--------------|------------|
| Plan interest in Master Trust | \$13,401,341 | 12,221,634 |

During 2012 and 2011, the Plan's investments in the Master Trust (including gains and losses on investments bought as well as held during the year) appreciated in value by \$1,446,711 and depreciated in value by \$314,625. All investment transactions during 2012 and 2011 were made in units of the Master Trust.

## NOTE 8: RELATED PARTY TRANSACTIONS AND PARTY IN INTEREST TRANSACTIONS

The Plan invests in certain funds managed by the custodian and trustee. Therefore, transactions related to these funds qualify as party in interest transactions that are allowable under ERISA. Fees incurred by the Plan for investment management services are included in plan interest in Master Trust investment income or loss, as they are paid through revenue sharing, rather than direct payment. During 2012 and 2011, the Plan made direct payments to the trustee totaling \$41,421 and \$32,787, which was not covered by revenue sharing. The Company pays directly any other fees related to the Plan's operations.

## NOTE 9: INCOME TAX STATUS

The Plan obtained its latest determination letter dated July 3, 2012, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## **PLY GEM GROUP PENSION PLAN**

Notes to Financial Statements

December 31, 2012 and 2011

### **NOTE 9: INCOME TAX STATUS (concluded)**

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by federal and state tax authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

**PLY GEM GROUP PENSION PLAN**

EIN: 11-1727150

Plan Number: 001

Schedule H, Line 4i - Schedule of Assets Held as of End of Year

December 31, 2012

| (a) | (b)<br>Identity of Issue,<br>Borrower, Lessor,<br>or Similar Party                  | (c)<br>Description of Investment, including<br>Maturity Date, Rate of Interest,<br>Collateral, Par or Maturity Value | (d)<br>Cost | (e)<br>Current<br>Value |
|-----|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|
| *   | Prudential Retirement Insurance Annuity Company and Prudential Bank & Trust, F.S.B. |                                                                                                                      |             |                         |
|     |                                                                                     | Plan interest in Master Trust                                                                                        | **          | <u>\$ 13,401,341</u>    |

\* Denotes party in interest

\*\* Cost information has been omitted as it is unavailable in the ordinary business records.

Note: Information in this schedule as reported by Prudential Retirement Insurance and Annuity Company and Prudential Bank & Trust, F.S.B.

**PLY GEM GROUP PENSION PLAN**

EIN: 11-1727150

Plan Number: 001

Schedule H, Line 4i - Schedule of Assets Held as of End of Year

December 31, 2012

| (a) | (b)<br>Identity of Issue,<br>Borrower, Lessor,<br>or Similar Party                  | (c)<br>Description of Investment, including<br>Maturity Date, Rate of Interest,<br>Collateral, Par or Maturity Value | (d)<br>Cost | (e)<br>Current<br>Value |
|-----|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|
| *   | Prudential Retirement Insurance Annuity Company and Prudential Bank & Trust, F.S.B. |                                                                                                                      |             |                         |
|     | Plan interest in Master Trust                                                       |                                                                                                                      | **          | <u>\$ 13,401,341</u>    |

\* Denotes party in interest

\*\* Cost information has been omitted as it is unavailable in the ordinary business records.

Note: Information in this schedule as reported by Prudential Retirement Insurance and Annuity Company and Prudential Bank & Trust, F.S.B.