

Quanex Building Products CORP
Form 8-K
July 21, 2008

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 21, 2008

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

Delaware

(State or other Jurisdiction of
Incorporation)

1-33913

(Commission File Number)

26-1561397

(IRS Employer Identification No.)

**1900 West Loop South, Suite 1500,
Houston, Texas**

(Address of Principal Executive Offices)

77027

(Zip Code)

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

(Former name or former address if changed since last report.)

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

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

Item 1.01. Entry into a Material Definitive Agreement

The disclosure set forth below under Item 5.02 relating to the Company's agreements with Brent L. Korb is incorporated into this Item 1.01.

Item 5.02. Departure of Directors or Principal Officer; Election of Directors; Appointment of Principal Officers.

(a) Appointment of Principal Financial Officer

On July 21, 2008, Quanex Building Products Corporation (the **Company**) announced that its Board of Directors has elected Brent L. Korb, 36, as Senior Vice President Finance and Chief Financial Officer of the Company, effective August 1, 2008.

Prior to joining the Company, Mr. Korb was Vice President of Finance and Corporate Controller at Energy Alloys since June 13, 2008. Mr. Korb previously served as Vice President Corporate Controller of the Company and its predecessor beginning February 2, 2005, and Assistant Controller beginning November 24, 2003. Prior to that time, Mr. Korb was Corporate Controller & Director Business Analysis since 2003, and Manager of Business Analysis since 2001, of Resolution Performance Products, a manufacturer of specialty chemicals.

(b) Agreements

In connection with Mr. Korb's appointment, the Company and Mr. Korb entered into an agreement (the **Agreement**), and will enter into a change in control agreement (the **Change in Control Agreement**), each effective as of August 1, 2008. The Company also reinstated Mr. Korb's severance agreement (the **Severance Agreement**), the form of which was originally filed as Exhibit 10.5 to Amendment No. 1 to the Company's Registration Statement on Form 10, as filed with the Securities and Exchange Commission on February 14, 2008, with one amendment as described below.

The following discussion is qualified by reference to the Agreement, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference, and the Change in Control Agreement, the form of which is attached hereto as Exhibit 10.2 and incorporated herein by reference.

Under the Agreement, the Company will provide the following:

- (i) An annual base salary of \$325,000;
- (ii) An annual incentive award under the Quanex Building Products Corporation 2008 Omnibus Incentive Plan (the **Plan**), with a maximum award potential of 150% of Mr. Korb's base salary (pro-rated for the current fiscal year);
- (iii) An award of 30,000 shares of restricted stock of the Company, which award will cliff vest on the third anniversary date of Mr. Korb's employment, or in the event of a change in control of the Company;
- (iv) An option to purchase 100,000 shares of the Company's Common Stock pursuant to the terms and conditions of the Plan, to be granted at a grant price equal to the closing price of the Company's common stock on August 1, 2008. This option will vest in thirds on the first, second and third employment anniversary dates, or will fully vest in the event of a change in control of the Company;
- (v) Other benefits to the same extent and same cost as may be provided to other Company employees and officers in accordance with Company policies then in effect and subject to the terms and conditions of such benefit plans.

Under the Change in Control Agreement, the Company will provide the following benefits in the event that Mr. Korb's employment is terminated following a Change in Control of the Company (as defined in the Change in Control Agreement), if such termination is (x) by the Company for any reason other than occurrence of an Event of Termination for Cause, or (y) by Mr. Korb after the occurrence of an Event of Termination for Good Reason (as defined in the Change in Control Agreement):

- (i) The Company will pay to Mr. Korb his base salary, bonus and benefits accrued through the termination date but not previously paid;
- (ii) The Company will pay to Mr. Korb a performance bonus equal to the higher of (x) the target performance bonus for the Fiscal Year in which the termination date occurs and (y) the performance bonus that was actually paid out for the Fiscal Year preceding the Fiscal Year in which the termination date occurs (the higher of (x) and (y) is referred to herein as the **Highest Bonus**), in each case pro-rated to reflect the number of days that passed between the beginning of the current fiscal year and the termination date;
- (iii) The Company will pay to Mr. Korb an amount equal to three (3) times the sum of (x) the Highest Bonus and (y) the amount of base salary that would have been paid during the fiscal year in which the termination date occurs based on the assumption that Mr. Korb's employment would have continued throughout that fiscal year at the base salary rate in effect in the fiscal year in which the termination date occurs, or in the immediately preceding fiscal year, whichever is higher; and
- (iv) For a period of three years or until Mr. Korb begins new employment, the Company will maintain in effect, and not materially reduce the benefits provided by, certain of the Company's benefit plans in which Mr. Korb will participate.

Under the amended Severance Agreement, Mr. Korb will be entitled to a severance payment equal to 18 months' worth of base salary, rather than the 12 months contemplated by the original severance agreement. No other amendments or alterations were made to the form of severance agreement originally filed as Exhibit 10.5 to Amendment No. 1 to the Company's Registration Statement on Form 10, as filed with the Securities and Exchange Commission on February 14, 2008.

Item 8.01 Other Events.

On July 21, 2008, the Company issued a press release (the **Press Release**) announcing the election of Brent L. Korb as Senior Vice President - Finance and Chief Financial Officer of the Company. The foregoing is qualified by reference to the Press Release which is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

- (a) Financial Statements of businesses acquired.

Not applicable

- (b) Pro forma financial information.

Not applicable

- (c) Exhibits.

10.1 Agreement between Quanex Building Products Corporation and Brent L. Korb, effective August 1, 2008.

10.2 Form of Change in Control Agreement between Quanex Building Products Corporation and Brent L. Korb.

99.1 Press Release dated July 21, 2008.

SIGNATURE

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

QUANEX BUILDING PRODUCTS CORPORATION
(Registrant)

July 21, 2008

/s/ Kevin P. Delaney

(Date)

Kevin P. Delaney
Senior Vice President
General Counsel and Secretary

Exhibit Index

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| 10.1 | Agreement between Quanex Building Products Corporation and Brent L. Korb, effective August 1, 2008. |
| 10.2 | Form of Change in Control Agreement between Quanex Building Products Corporation and Brent L. Korb. |
| 99.1 | Press Release dated July 21, 2008. |