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

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report: October 11, 2006**  
(Date of earliest event reported)

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**APOGEE ENTERPRISES, INC.**

(Exact name of registrant as specified in its charter)

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**Commission File Number: 0-6365**

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

**41-0919654**  
(IRS Employer  
Identification No.)

**7900 Xerxes Avenue South, Suite 1800,  
Minneapolis, Minnesota 55431**  
(Address of principal executive offices, including zip code)

**(952) 835-1874**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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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))
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**Item 1.01 Entry into a Material Definitive Agreement.**

In October 2004, the American Jobs Creation Act of 2004 amended the Internal Revenue Code to add section 409A ("Section 409A"), which imposes significant restrictions on nonqualified deferred compensation. On October 11, 2006, the Board of Directors of Apogee Enterprises, Inc. (the "Company") approved amendments to the Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan, the Apogee Enterprises, Inc. Deferred Incentive Compensation Plan, the Apogee Enterprises, Inc. Deferred Compensation Plan for Non-Employee Directors and the Apogee Enterprises, Inc. Partnership Plan in order to bring such plans into compliance with Section 409A and associated regulations. In addition, the Company's Board of Directors approved an amendment to change the accrual of benefit formula in the Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan. Unless otherwise indicated, the amendments to the plans generally became effective as of January 1, 2005. Descriptions of the plan amendments are set forth below. Such descriptions are qualified in their entirety by reference to the full text of the amended plans, copies of which are attached to this Current Report on Form 8-K as Exhibits 10.1 through 10.5 and incorporated herein by reference.

*Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan (2005 Restatement) (the "SERP")*

The SERP was bifurcated into pre-2005 and post-2004 benefits for each participant in the SERP. The pre-2005 benefits, which is the portion of each participant's benefit that was earned and vested as of December 31, 2004, will continue to be administered in accordance with the laws and SERP rules as they existed prior to the passage of Section 409A, with the understanding that there will be no material modifications to these benefits. The post-2004 benefits, however, are subject to the following changes:

- The ability to receive a distribution upon a Termination of Employment (as previously defined in the SERP) has been changed to permit a distribution upon a Separation from Service (as defined in Section 409A). The Separation from Service definition differs from the Termination of Employment definition in that (1) a Separation from Service can occur with a significant reduction in remuneration or services provided and (2) a Separation from Service will not occur merely because the employee relationship with the Company changes to an independent contractor or consulting relationship.
- Key Employees (as defined in Section 409A) participating in the SERP are no longer permitted to receive a distribution from the SERP due to Termination of Employment until six months after the Key Employee's Termination of Employment, unless the Key Employee dies during such six-month period.
- Each participant must elect when the participant's distribution will commence, and the form of such distribution, prior to December 31, 2006, for individuals who were participants prior to December 31, 2006, or within 30 days after the individual becomes eligible for the SERP, if the individual becomes a participant after December 31, 2006.

In addition, the SERP will not be terminated and benefits will not be distributed unless such actions are permitted by Section 409A and associated regulations.

*First Amendment to Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan (2005 Restatement) (the "First Amendment")*

The First Amendment changes the accrual of benefits formula under the SERP. The previous formula was 2% multiplied by the participant's Average Monthly Compensation multiplied by years of service. The new formula set forth in the First Amendment is (a) 2% multiplied by the participant's Average Monthly Basic Compensation multiplied by years of service plus (b) 4% multiplied by the participant's Average Monthly Bonus Compensation multiplied by years of service. This change was made to maintain consistent accruals under the SERP following changes made to the Company's bonus programs. The First Amendment became effective as of January 1, 2006.

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Apogee Enterprises, Inc. Deferred Incentive Compensation Plan (2005 Restatement) (the "Deferred Compensation Plan")

The Deferred Compensation Plan was bifurcated into pre-2005 and post-2004 accounts for each participant. The pre-2005 account, which is the portion of each participant's account that was earned and vested as of December 31, 2004, will continue to be administered in accordance with the laws and Deferred Compensation Plan rules as they existed prior to the passage of Section 409A, with the understanding that there will be no material modifications to these accounts. The post-2004 accounts, however, are subject to the following changes:

- The option of receiving a distribution due to a Financial Hardship (as previously defined in the Deferred Compensation Plan) has been changed to permit a distribution upon an Unforeseeable Emergency (as defined in Section 409A). While the definition of Unforeseeable Emergency is substantially similar to the previous definition of Financial Hardship, it does limit the permissible circumstances for such a distribution.
- The ability to receive a distribution upon a Termination of Employment (as previously defined in the Deferred Compensation Plan) has been changed to permit a distribution upon a Separation from Service (as defined in Section 409A). The Separation from Service definition differs from the Termination of Employment definition in that (1) a Separation from Service can occur with a significant reduction in remuneration or services provided and (2) a Separation from Service will not occur merely because the employee relationship with the Company changes to an independent contractor or consulting relationship.
- The Company no longer has the right to alter the election made by the participant with respect to the participant's commencement date or the participant's form of distribution.
- Key Employees (as defined in Section 409A) participating in the Deferred Compensation Plan are no longer permitted to receive a distribution from the Deferred Compensation Plan due to a Termination of Employment until six months after the Key Employee's Termination of Employment, unless the Key Employee dies during such six-month period.

The Deferred Compensation Plan was also amended to limit the amendments to the plan that can occur after a Change in Control (as defined in the Deferred Compensation Plan) of the Company. In addition, the Deferred Compensation Plan will not be terminated and accounts will not be distributed unless such actions are permitted by Section 409A and associated regulations.

Apogee Enterprises, Inc. Deferred Compensation Plan for Non-Employee Directors (2005 Restatement) (the "Non-Employee Director DCP")

The following amendments were made to the Non-Employee Director DCP:

- The time and duration of a deferral election were changed to provide that a deferral election must be made on or before December 31 for the following calendar year and must stay in effect for the entire calendar year. Any changes made to future deferral elections will not be effective until the following calendar year. New directors will be eligible to make a deferral election within 30 days of being eligible to participate in the Non-Employee Director DCP.
- A provision was added to the Change of Control definition in the Non-Employee Director DCP that states that none of the Change of Control events will be considered a Change of Control unless such event constitutes a Change of Control as defined in Section 409A and associated regulations.
- The Non-Employee Director DCP will not be terminated and accounts will not be distributed unless such actions are permitted by Section 409A and associated regulations.

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Apogee Enterprises, Inc. Partnership Plan (2005 Restatement) (the "Partnership Plan")

As previously disclosed, the Partnership Plan was discontinued for fiscal 2006 and beyond. The Company's executives, however, still have balances in the Partnership Plan. The following amendments were made to the Partnership Plan:

- The option of receiving a distribution due to a Financial Hardship (as formerly defined in the Partnership Plan) has been changed to permit a distribution upon an Unforeseeable Emergency (as defined in Section 409A). While the definition of Unforeseeable Emergency is substantially similar to the previous definition of Financial Hardship, it does limit the permissible circumstances for such a distribution.
- The ability to receive a distribution upon a Termination of Employment (as formerly defined in the Partnership Plan) has been changed to permit a distribution upon a Separation from Service (as defined in Section 409A). The Separation from Service definition differs from the definition of Termination of Employment in that (1) a Separation from Service can occur with a significant reduction in remuneration or services provided and (2) a Separation from Service will not occur merely because the employee relationship with the Company changes to an independent contractor or consulting relationship.
- The Company no longer has the right to alter the election made by the participant with respect to the participant's commencement date or the participant's form of distribution.
- Key Employees (as defined in Section 409A) participating in the Partnership Plan are no longer permitted to receive a distribution from the Partnership Plan due to a Termination of Employment until six months after the Key Employee's Termination of Employment, unless the Key Employee dies during such six-month period.
- The deadline for making a deferral election was changed to require that the election be made prior to the commencement of the calendar year which includes the first day of the fiscal year to which the election applies.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

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| 10.1 | Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan (2005 Restatement).                    |
| 10.2 | First Amendment of Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan (2005 Restatement). |
| 10.3 | Apogee Enterprises, Inc. Deferred Incentive Compensation Plan (2005 Restatement).                                |
| 10.4 | Apogee Enterprises, Inc. Deferred Compensation Plan for Non-Employee Directors (2005 Restatement).               |
| 10.5 | Apogee Enterprises, Inc. Partnership Plan (2005 Restatement).  |

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**SIGNATURE**

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

APOGEE ENTERPRISES, INC.

By: /s/ James S. Porter

James S. Porter  
Chief Financial Officer

Date: October 17, 2006

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## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
10.1	Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan (2005 Restatement).
10.2	First Amendment of Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan (2005 Restatement).
10.3	Apogee Enterprises, Inc. Deferred Incentive Compensation Plan (2005 Restatement).
10.4	Apogee Enterprises, Inc. Deferred Compensation Plan for Non-Employee Directors (2005 Restatement).
10.5	Apogee Enterprises, Inc. Partnership Plan (2005 Restatement).

**APOGEE ENTERPRISES, INC.  
OFFICERS' SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN  
(2005 Restatement)**

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**APOGEE ENTERPRISES, INC.**  
**OFFICERS' SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**  
**(2005 Restatement)**

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**APOGEE ENTERPRISES, INC.  
OFFICERS' SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN  
(2005 Restatement)**

**INTRODUCTION**

APOGEE ENTERPRISES, INC., a Minnesota corporation (the "Principal Sponsor"), and certain affiliated corporations maintain a tax-qualified defined contribution plan known as APOGEE ENTERPRISES, INC. 401(k) RETIREMENT PLAN (also known as the "qualified plan") for the purpose of providing retirement benefits to certain eligible employees. The qualified plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and is intended to qualify as defined contribution plan under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"). By operation of section 401(a)(16) of the Code, annual additions to the qualified plan are restricted so that they do not exceed certain maximum annual additions allowed under section 415 of the Code. Further, section 401(a)(17) of the Code restricts the maximum amount of annual compensation which may be taken into account in determining the contributions for any employee under the qualified plan.

Section 3(36) and section 4(b)(5) of ERISA recognize and authorize the establishment of an unfunded, nonqualified plan of deferred compensation maintained by an employer solely for the purpose of providing benefits for employees in excess of the limitations on benefits imposed under section 415 of the Code. Section 201, 301 and 401 of ERISA also recognize the creation of an unfunded plan maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. The Principal Sponsor, pursuant to these provisions of ERISA, previously established and now maintains the APOGEE ENTERPRISES, INC. EXECUTIVE SUPPLEMENTAL PLAN (also known as the "restoration plan") for the benefit of certain management or highly compensated employees who are Participants in the qualified plan for the purpose of restoring a portion of the benefits lost due to the application of the §415 and §401(a)(17) limitations imposed on benefits payable under the qualified plan.

It is in the interest of the Employers to provide benefits to certain select officers and management employees in excess of those that can and are being provided under the qualified plan, the restoration plan and other qualified and nonqualified deferred compensation plans as an inducement for them to remain in the service of the Employers. It is also in the interest of the Employers to provide additional benefits to compensate select officers and management employees for qualified and nonqualified retirement benefits that would have been earned but for a mid-career change of employment and to provide an incentive to remain with the Principal Sponsor.

The Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan was adopted by Apogee Enterprises, Inc., a Minnesota corporation, and first effective January 1, 1998, and as amended and restated in this document effective January 1, 2005. However, it is not the intent of Apogee Enterprises, Inc. to in any manner limit any of the grandfathering

provisions found in Internal Revenue Service Notice 2005-1, the proposed regulations or Code Section 409A. This restatement will be administered and construed on a basis consistent with this intent.

## SECTION 1

### DEFINITIONS AND GENERAL RULES

1.1. **Definitions.** When used herein with initial capital letters, the following words have the following meanings:

1.1.1. **Accrued SERP Benefit** — a dollar amount determined as of a Participant's Termination of Employment and expressed as a Single Life Annuity payable for the life of the Participant with an Annuity Starting Date on the first day of the calendar month following the calendar month in which the Participant would attain Normal Retirement Date (or Termination of Employment, if later) and which is equal to (a) minus (b):

- (a) **Primary Benefit.** A dollar amount equal to:
  - (i) two percent (2%), multiplied by
  - (ii) the Participant's Average Monthly Compensation determined as of the Participant's Termination of Employment, multiplied by
  - (iii) the Participant's Benefit Service determined as of the Participant's Termination of Employment.
- (b) **Offsets.** A dollar amount equal to:
  - (i) the Defined Contribution Plans Offset, plus
  - (ii) the Participant's Social Security Benefit.
- (c) **Future Changes.** Prior to the Termination of Employment, a Participant's Accrued SERP Benefit may increase and may decrease from time to time.

1.1.2. **Annuity Starting Date** — the first date that a benefit is payable as an annuity (and not the date that it is in fact paid) or, in the case of a benefit, if any, not payable in the form of an annuity, the first day on which all events have occurred which entitle the Participant to such benefit.

1.1.3. **Average Monthly Compensation** — one-sixtieth (1/60th) of the total dollar amount of Pensionable Compensation attributable to the five (5) consecutive, completed calendar years which produce the highest amount; subject, however, to the following:

- (a) **Less Than Five Years.** If the Participant shall have received Pensionable Compensation attributable to less than five (5) consecutive, completed calendar years as of the date his or her Average Monthly Compensation is determined, his or her Average Monthly Compensation shall be equal to the total of all the Pensionable Compensation attributable to his or her consecutive, completed calendar years, divided by the number of months (12, 24, 36 or 48) in the consecutive, completed calendar years to which any of his or her Pensionable Compensation is attributable.

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- (b) **Completed Years.** Completed calendar years are all calendar years which are completed prior to the specific date as of which the Average Monthly Compensation is determined and during all of which the Participant was an employee of the Employer.
  - (c) **Final Partial Year.** If it results in a higher Average Monthly Compensation, there shall be included in the determination the partial year's Pensionable Compensation attributable to the final partial calendar year in which the Participant's Termination of Employment occurred (as if it were a completed year) in lieu of the Participant's entire Pensionable Compensation attributable to an earlier completed calendar year (but the requirement that the calendar years considered shall be consecutive shall not be waived or altered by this special rule).
  - (d) **Ten-Year Limit.** In determining the Participant's Average Monthly Compensation, there shall be disregarded all Pensionable Compensation attributable to calendar years ending more than ten (10) years prior to the date as of which the Average Monthly Compensation is determined.
  - (e) **No Compensation.** The absence of Pensionable Compensation (or less than full compensation) in any calendar year shall not affect the requirement that only consecutive calendar years be considered in determining a Participant's Average Monthly Compensation.

1.1.4. **Beneficiary** — a person designated by a Participant (or automatically by operation of this Plan Statement) to receive the unpaid installments of benefit payable in the Term Certain and Life Annuity form remaining at the death of a Participant, if any. A person so designated shall not be considered a Beneficiary until the death of the Participant.

1.1.5. **Benefit Service** — a measure of a Participant's service with the Employer (stated as a number of years and fractions of years) which is equal to the total years and fractions of years of the Participant's employment with the Employer determined as follows:

- (a) **General Rule.** Benefit Service shall be equal to the total number of the Participant's completed years and fractions of years of employment with the Employer, determined according to the following rules:
  - (i) Except as provided below, one (1) year of Benefit Service shall be credited for each Plan Year in which the Participant has one

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thousand (1,000) or more Hours of Service and no Benefit Service shall be credited for a Plan Year in which the Participant has less than one thousand (1,000) Hours of Service.

- (ii) In any Plan Year in which the Participant first becomes employed with the Employer on other than the first day of the Plan Year and in the Plan Year in which he or she last ceases to be employed with the Employer (whether by reason of retirement, quit, discharge, death, transfer or other reason), he or she shall be credited with that fraction of a year of Benefit Service equal to the fraction of the Plan Year he or she was employed with the Employer if, and only if, during such fraction of the Plan Year he or she was credited with Hours of Service at the rate of at least one thousand (1,000) Hours of Service per Plan Year.
- (iii) Benefit Service shall be credited for the Participant's employment with the Employer before the date he or she became a Participant and before this Officers' SERP was established.
- (b) **Limitations.** No more than one (1) year of Benefit Service shall be credited for a Plan Year. No more than twenty (20) years of Benefit Service shall be credited to any Participant.

1.1.6. **Change in Control** — the occurrence of any one of the following events:

- (a) a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or successor provision thereto, whether or not the Principal Sponsor is then subject to such reporting requirement including, without limitation, any of the following events:
  - (i) the consummation of any consolidation or merger of the Principal Sponsor in which the Principal Sponsor is not the continuing or surviving corporation or pursuant to which shares of the Principal Sponsor's common stock would be converted into cash, securities, or other property, other than a merger of the Principal Sponsor in which the holders of the Principal Sponsor's common stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger; or
  - (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Principal Sponsor;
- (b) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "Beneficial Owner" (as defined in

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Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Principal Sponsor representing thirty-five percent (35%) or more of the combined voting power of the Principal Sponsor's then outstanding securities; or

- (c) the continuing directors cease to constitute a majority of the Principal Sponsor's Board of Directors.

For this purpose, "continuing director" shall mean any person who is a member of the Board of Directors of the Principal Sponsor, who is not an acquiring person (as hereinafter defined) or an affiliate or associate (as hereinafter defined) of an acquiring person, or a representative of an acquiring person or of any such affiliate or associate, and who (a) was a member of the Board of Directors of the Principal Sponsor on the date this Officers' SERP is adopted or (b) subsequently becomes a member of the Board of Directors, if such person's initial nomination for election or initial election to the Board of Directors is recommended or approved by a majority of the continuing directors. For this purpose "Acquiring person" shall mean any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) who or which, together with all affiliates and associates of such person, is the beneficial owner of ten percent (10%) or more of the shares of common stock of the Principal Sponsor then outstanding, but shall not include the Principal Sponsor, any subsidiary of the Principal Sponsor or any benefit plan of the Principal Sponsor or of any subsidiary of the Principal Sponsor or any entity holding shares of common stock organized, appointed or established for, or pursuant to the terms of, any such plan; and "affiliate" and "associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.

1.1.7. **Defined Contribution Offset** — a monthly amount of retirement income determined for a Participant as of a specified date (and expressed as an annuity payable monthly to the Participant in the Single Life Annuity form with an Annuity Starting Date on the first day of the calendar month following the Participant's Normal Retirement Date) equal to the Participant's projected account value as determined in (b) below divided by the appropriate conversion factor as set forth in (c) below:

- (a) **Assumed Account Value.** A Participant's assumed account value is a dollar amount determined and redetermined as of the last day of each Plan Year as follows.
- (i) Determine, as of December 31, 1997, the Participant's actual total account value in the Defined Contribution Plans (exclusive of elective contributions and rollover contributions).
  - (ii) Commencing as of December 31, 1998, to the Participant's assumed account value determined as of the last day of the preceding Plan Year, there shall be added the gain or loss which would have resulted if that assumed account value had been adjusted for gains or losses during the following Plan Year at the average rate as is actually experienced by the fixed income fund option maintained for the Defined Contribution Plans during the

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same period. The Principal Sponsor shall identify this fixed income fund option from time to time for the purposes of this Officers' SERP.

- (iii) In addition, commencing as of December 31, 1998, there shall be added to the Participant's assumed account value as of the last day of the Plan Year, a dollar amount equal to the amount of all contributions and credits made to the Defined Contribution Plans for the Plan Year ending on such date (exclusive of elective contributions and rollover contributions).

A Participant's assumed account value changes only once each Plan Year as of the last day of each Plan Year.

- (b) **Projected Account Value.** A Participant's projected account value is a dollar amount determined as of any specified date and is equal to the Participant's assumed account value determined as of the earlier of:

- (i) the last day of the Plan Year coincident with or immediately preceding the specified date as of which the Projected Account Value is determined, or

- (ii) the last day of the Plan Year coincident with or immediately preceding the Participant's Normal Retirement Date, projected forward with eight percent (8%) interest compounded annually from the earlier of such dates to the last day of the Plan Year coincident with or immediately preceding the Participant's Normal Retirement Date. A Participant's projected account value changes only once each Plan Year as of the last day of each Plan Year.

- (c) **Conversion Factor.** The appropriate conversion factor shall be one hundred twenty (120).

1.1.8. **Defined Contribution Plans** — the qualified and nonqualified defined contribution plans known as:

- (i) APOGEE ENTERPRISES, INC. 401(k) RETIREMENT PLAN including benefits merged with and into this plan from the Apogee Enterprises, Inc. Retirement Plan (also known as the "§401(k) plan"), and
- (ii) APOGEE ENTERPRISES, INC. EXECUTIVE SUPPLEMENTAL PLAN (also known as the "restoration plan").

1.1.9. **Employers** — the Principal Sponsor and each other entity affiliated in ownership with the Principal Sponsor that adopts this Officers' SERP with the consent of the Principal Sponsor for the benefit of its eligible employees.



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1.1.10. **Hours of Service** — a measure of an employee’s service with the Employer and all Affiliates, determined for a particular computation period and equal to the number of hours for which the employee is paid, or entitled to payment, for the performance of duties for the Employer or an Affiliate.

1.1.11. **Normal Retirement Date** — the last day of the calendar month in which the Participant attains age sixty-five (65) years or, if later, the last day of the calendar month that includes the fifth (5th) annual anniversary of date the Participant first became a Participant.

1.1.12. **Officers’ SERP** — the nonqualified deferred compensation plan of the Employers established for the benefit of employees eligible to participate therein, as set forth in the Plan Statement. (As used herein, “Plan” refers to the legal entity established by the Employers and not to the document pursuant to which this Officers’ SERP is maintained. That document is referred to herein as the “Plan Statement.”) This SERP shall be referred to as the “APOGEE ENTERPRISES, INC. OFFICERS’ SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN.”

1.1.13. **Participant** — an employee of an Employer who becomes a Participant in this Officers’ SERP in accordance with the provisions of Section 3. An employee who has become a Participant shall be considered to continue as a Participant in this Officers’ SERP until the date of the Participant’s death or, if earlier, the date when the Participant is no longer entitled to any further benefit under this Officers’ SERP.

1.1.14. **Pensionable Compensation** — wages, tips and other compensation paid to the Participant by the Employer and reportable in the box designated “wages, tips, other compensation” on Treasury Form W-2 (or any comparable successor box or form) for the applicable period but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in section 3401(a)(2) of the Code) and further determined without regard to any amounts paid or reimbursed by the Employer for moving expenses incurred by the Participant (but only to the extent that at the time of the payment it is reasonable to believe that these amounts are deductible by the Participant under section 217 of the Code); subject, however, to the following:

- (a) **Included Items.** In determining a Participant’s Pensionable Compensation there shall be included elective contributions made by the Employer on behalf of the Participant that are not includable in gross income under sections 125, 402(e)(3), 402(h), 403(b), 414(h)(2) and 457 of the Code including elective contributions authorized by the Participant under a Retirement Savings Agreement, a cafeteria plan or any other qualified cash or deferred arrangement under section 401(k) of the Code. Remuneration voluntarily deferred under any qualified or nonqualified deferred compensation plan maintained by the Principal Sponsor or an Employer shall be included, subject to the other rules of this Section, at the time it would have been paid but for the election to voluntarily defer such remuneration.

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- (b) **Excluded Items.** In determining a Participant's Pensionable Compensation there shall be excluded all of the following: (i) reimbursements or other expense allowances including foreign service allowances, station allowances, foreign tax equalization payment and other similar payments, (ii) welfare and fringe benefits (both cash and noncash) including third-party sick pay (*i.e.*, short-term and long-term disability insurance benefits), income imputed from insurance coverages and premiums, employee discounts and other similar amounts, payments for vacation or sick leave accrued but not taken, final payments on account of termination of employment (*i.e.*, severance payments) and settlement for accrued but unused vacation and sick leave, (iii) moving expenses, (iv) deferred compensation (when received), (v) the value of stock options and stock appreciation rights (whether or not exercised) and other similar amounts, and (vi) all premium pay for overtime work and premium pay for shift differentials.
  - (c) **Pre-Participation Employment.** Remuneration paid by the Employer attributable to periods prior to the date the Participant became a Participant in the Plan shall be taken into account in determining the Participant's Pensionable Compensation.
  - (e) **Attribution to Periods.** The portion of a Participant's Pensionable Compensation that is paid at regular monthly or more frequent payroll intervals (*e.g.*, base pay, commissions) shall be considered attributable to the period in which it is actually paid and not the period in which it is earned or accrued. However, all other portions of a Participant's Pensionable Compensation (*e.g.*, bonuses) shall be considered attributable to the period when earned or accrued and not the period in which it is actually paid.

1.1.15. **Plan Statement** — this document entitled "APOGEE ENTERPRISES, INC. OFFICERS' SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (2005 Restatement)," as adopted by the Principal Sponsor effective as of January 1, 2005, as the same may be amended from time to time thereafter.

1.1.16. **Plan Year** — the calendar year.

1.1.17. **Post 2004 Benefit** — the Accrued SERP Benefit excluding the Pre 2005 Benefit, if any.

1.1.18. **Pre 2005 Benefit** — the Accrued SERP Benefit that was both accrued and vested before January 1, 2005 under the terms of the Plan as of December 31, 2004, if any.

1.1.19. **Principal Sponsor** — APOGEE ENTERPRISES, INC., a Minnesota corporation.

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1.1.20. **Single Life Annuity** — a pension payable monthly for the lifetime of the Participant, the first such payment to be due on the date specified in Section 3 and the last such payment to be due on the first day of the calendar month in which the Participant dies.

1.1.21. **Social Security Benefit** — the estimated monthly amount available at Normal Retirement Date for the benefit of the Participant (excluding amounts available for spouse and dependents) as an old age benefit under the provisions of Title II of the federal Social Security Act in effect on the December 31 coincident with or immediately preceding the date as of which the Social Security Benefit is determined, whether or not payment of such amount is delayed, suspended or forfeited because of failure to apply, acceptance of other work, or any other similar reason within the control of the Participant.

- (a) **Prior Taxable Wages.** The Participant's Social Security Benefit shall be determined upon the basis of the Participant's actual wages paid or accrued through the end of the calendar year ending coincident with or immediately prior to the date as of which the Social Security Benefit is determined. To the extent that such wages were payable before January 1, 1978, or by other than an Employer, such Participant's Social Security Benefit shall be based upon:
  - (i) the Participant's annual wages paid or accrued by an Employer in the first full calendar year after the Participant was first employed with an Employer (or December 31, 1977, if later) and the wages which would have been paid or accrued if wages had increased prior thereto at the rate of increase in the average per worker total wages reported by the Social Security Administration, and
  - (ii) the table of social security benefits under the Social Security Act as in effect on the December 31 coincident with or immediately preceding such date of determination, and
  - (iii) the benefit formula and indexing factors applicable to persons becoming eligible for social security benefits on the December 31 coincident with or immediately preceding the date of determination.
- (b) **Post-Employer Taxable Wages.** If the Participant's Social Security Benefit is determined as of a specified date before the Participant's Normal Retirement Date, it shall be assumed in computing the monthly amount of Social Security Benefit available at Normal Retirement Date that the Participant would receive no additional compensation.
- (c) **Subsequent Adjustments.** The Social Security Benefit determined at a Participant's Termination of Employment shall not be redetermined as a result of subsequent changes in the federal Social Security Act. The Social Security Benefit of a Participant who is Normal Retirement Date or more shall be the Participant's Social Security Benefit determined as of the Participant's age sixty-five (65) years.

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- (d) **Estimated Amount.** The Social Security Benefit is only an estimate of the benefit to be received or receivable by the Participant. Any such estimate made in good faith at Termination of Employment shall be binding on the Participant even if subsequent facts establish a different benefit is actually received or receivable.

1.1.22. **Termination of Employment** — a complete severance of an employee's employment relationship with the Employers and all subsidiaries and affiliates, if any, for any reason other than the employee's death. However, when the term "Termination of Employment" is used in the Plan Statement in connection with Post 2004 Benefit, it shall be construed to have a meaning consistent with the term "Separation from Service" as used in section 409A of the Code.

## SECTION 2

### PARTICIPANTS

2.1. **General Participation Rule.** The Participants in the SERP shall be those officers of the Employer who have been expressly designated as Participants by the Board of Directors of the Principal Sponsor in writing. The effective date for the commencement of SERP participation for each such individual shall be the date specified in such writing. Any officer who has become a Participant in the SERP shall continue as a Participant until all benefits which are due under this SERP have been received without regard to whether he or she continues as an officer or an active employee.

2.2. **Overriding Exclusion.** Notwithstanding anything apparently to the contrary in the Plan Statement or in any written communication, summary, resolution or document or oral communication, no individual shall be a Participant in this Officers' SERP, develop benefits under this Officers' SERP or be entitled to receive benefits under this Officers' SERP (either for himself or his or her survivors) unless such individual is a member of a select group of management or highly compensated employees (as that expression is used in ERISA). If a court of competent jurisdiction, any representative of the U.S. Department of Labor or any other governmental, regulatory or similar body makes any direct or indirect, formal or informal, determination that an individual is not a member of a select group of management or highly compensated employees (as that expression is used in ERISA), such individual shall not be (and shall not have ever been) a Participant in this Officers' SERP at any time. If any person not so defined has been erroneously treated as a Participant in this Officers' SERP, upon discovery of such error such person's erroneous participation shall immediately terminate *ab initio* and upon demand such person shall be obligated to reimburse the Principal Sponsor for all amounts erroneously paid to him or her.

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## SECTION 3

### BENEFITS PAYABLE

#### 3.1. Supplemental Retirement Benefit for Participants.

3.1.1. **Entitlement and Amount.** Upon the Termination of Employment of a Participant for reasons other than death:

- (i) at or after the Participant attains age fifty-five (55) years, or
- (ii) after and on account of the Participant's total and permanent disability as determined by the Principal Sponsor (without regard to the Participant's age), or
- (iii) during the two (2) year period following a Change in Control (without regard to whether the Participant's Termination of Employment was on account of the Change in Control and without regard to the Participant's age),

the Participant shall be entitled to the supplemental retirement benefit provided for in this Plan Statement.

The monthly amount of the supplemental retirement benefit shall be the amount of the Participant's Accrued SERP Benefit determined as of the Participant's Termination of Employment. However, if the Annuity Starting Date of the supplemental retirement benefit is before (but not more than one hundred twenty months before) the first day of the calendar month following the calendar month in which the Participant would attain Normal Retirement Date, the amount thereof shall be reduced five-ninths of one percent (5/9%) for each of the first sixty (60) months and five-eighteenthths of one percent (5/18%) for each of the next sixty (60) months by which the Annuity Starting Date precedes the first day of the calendar month following the calendar month in which the Participant would attain Normal Retirement Date. If the Annuity Starting Date is more than one hundred twenty (120) months before the first day of the calendar month following the calendar month in which the Participant would attain Normal Retirement Date, and

- (A) if the supplemental retirement benefit is payable to a Participant whose Termination of Employment occurred during the two (2) year period following a Change in Control, the amount shall be further reduced for early commencement in accordance with actuarial factors selected by the Principal Sponsor for this purpose that are consistent with the foregoing, or
- (B) if the supplemental retirement benefit is payable to a Participant whose Termination of Employment was after and on account of the Participant's total and permanent disability as determined by the Principal Sponsor, the amount shall not be further reduced for early commencement (but rather shall be reduced as if the Participant were then age fifty-five years).

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3.1.2. **Form of Benefit-When Payable.** In the absence of an election to the contrary (and except as provided below), the form of the supplemental retirement benefit is a Single Life Annuity with an Annuity Starting Date on the first day of the calendar month next following the calendar month in which the Participant's Termination of Employment occurs.

- (a) **Election for Pre 2005 Benefit.** Notwithstanding the general rule, a Participant may elect in writing, on forms to be provided by and to be filed with the Principal Sponsor:
  - (i) to commence the Pre 2005 Benefit on the first day of any calendar month subsequent to Termination of Employment but not later than the first day of the calendar month following the month in which the Normal Retirement Date would occur, or
  - (ii) to elect to receive the Pre 2005 Benefit in an optional form of pension specified in Section 3.1.5.

The Participant may make, rescind and file new elections from time to time and at any time and without the consent of any spouse, Beneficiary or joint annuitant but the election last received by the Principal Sponsor at least one (1) year prior to the Participant's Termination of Employment shall be the only election given effect.
- (b) **Election for Post 2004 Benefit.** Notwithstanding the general rule, a Participant may elect in writing, on forms to be provided by and to be filed with the Principal Sponsor:
  - (i) to commence the Post 2004 Benefit on the first day of any calendar month subsequent to Termination of Employment but not later than the first day of the calendar month following the month in which the Normal Retirement Date would occur, or
  - (ii) to elect to receive the Post 2004 Benefit in an optional form of pension specified in Section 3.1.5.

The Participant must make this one time election:

- (i) if eligible for the Plan prior to January 1, 2007, by December 31, 2006.
- (ii) if eligible for the Plan on or after January 1, 2007, within 30 days after the date the Participant becomes eligible to participate in the Plan.

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If the Participant has a Termination of Employment in 2006, the Participant's Post 2004 Benefit will be paid in accordance with the default rule stated in Section 3.1.2, regardless of whether the Participant filed an election.

- (c) **Change in Control.** Notwithstanding the general rule in paragraph (a) or paragraph (b) above, if the supplemental retirement benefit is payable to a Participant whose Termination of Employment occurred during the two (2) year period following a Change in Control, the form of the supplemental retirement benefit shall be in all cases a single lump sum payment due on the date of the Termination of Employment which is the actuarial equivalent of the supplemental retirement benefit that would be otherwise payable but for this sentence. For this purpose, the interest and mortality specified in section 417(e)(3) of the Code shall be used (applying a one month stability period and a two month look back period).

3.1.3. **Key Employee.** Notwithstanding Section 3.1.2, if payments are to be made on account of Termination of Employment to a Key Employee (as defined in Section 409A of the Code), payment of the Participant's Post 2004 Benefit payable under Section 3.1.2 above shall be suspended until a date that is six (6) months after the date of the Termination of Employment. As soon as administratively feasible after the six (6) month anniversary of the Participant's Termination of Employment, the Participant shall receive all payments, without interest, the Participant would have been entitled to receive during this six month period had the Participant not been a Key Employee. Thereafter, payments shall be made in accordance with Section 3.1.2. above. If a Participant dies prior to receiving a payment under this Section no benefit shall be paid under this Section.

3.1.4. **Beneficiary of Key Employee.** If the Participant dies prior to receiving a payment in accordance with Section 3.1.3, the Participant's Beneficiary shall be entitled to receive a lump sum payment equal to the amount of payments, without interest, the Participant would have been entitled to receive prior to the Participant's death had the Participant not been a Key Employee.

3.1.5. **Optional Forms of Pension.** In lieu of the Single Life Annuity form of pension, a Participant may elect as provided above from among the following additional optional forms of pension.

- (a) **Joint and Survivor Annuity.** The Joint and Survivor Annuity is a reduced annuity payable monthly to, and for the lifetime of, the Participant with a survivor annuity payable monthly after the death of the Participant to and for the lifetime of the Participant's spouse (but only if the Participant and such spouse were married on the Participant's Annuity Starting Date and were married for twelve continuous months at some time) in an amount equal to fifty percent (50%) or one hundred percent (100%), as elected by the Participant, of the amount payable during the joint lives of the Participant and spouse. The identity of the spouse to whom payments may be made shall become fixed as of the Participant's

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Annuity Starting Date. The Annuity Starting Date shall be the date specified in Section 3.1.2. The last payment to a Participant shall be due on the first day of the calendar month in which the Participant dies and the last payment to a spouse who survives the Participant shall be due on the first day of the calendar month in which such spouse dies. The value of the amounts payable to the Participant and spouse in the Joint and Survivor Annuity form shall be actuarially equivalent, as determined by the Principal Sponsor, to the amounts payable to the Participant in the Single Life Annuity form.

- (b) **Term Certain and Life Annuity.** The Term Certain and Life Annuity is a form of annuity payable monthly to and for the lifetime of the Participant or, if longer, for one hundred twenty (120) months. The Annuity Starting Date shall be the date specified in Section 3.1.2. The last payment shall be due on the first day of the calendar month in which the Participant's death occurs or, if later, the day on which the selected period certain expires. The value of the amounts payable to the Participant and all Beneficiaries in the Term Certain and Life Annuity form shall be actuarially equivalent, as determined by the Principal Sponsor, to the amounts payable to the Participant in the Single Life Annuity form.

3.1.6. **Suspension Upon Reemployment.** If any Participant is entitled to receive payment under this Officers' SERP on account of a previous Termination of Employment and is subsequently reemployed by an Employer, such payment shall be discontinued until there is a subsequent Termination of Employment and upon such subsequent Termination of Employment the Participant's benefit shall be adjusted for the benefits previously received.

3.2. **Survivor Benefit — Death Before Annuity Starting Date.**

3.2.1. **When Available.** Upon the death of a Participant who died:

- (i) before the Annuity Starting Date; and
- (ii) when the Participant was married and had been married for the one (1) year preceding death; and
- (iii) after attaining age fifty-five (55) years;

a monthly survivor annuity shall be payable to the surviving spouse to whom the Participant was married for at least one (1) year ending on the date of death.

3.2.2. **Amount.** The amount of the monthly survivor annuity shall be the amount which the surviving spouse would have received if the Participant:

- (i) had a Termination of Employment on the date of the Participant's death, for reasons other than the Participant's death, or, if earlier, the Participant's actual Termination of Employment, and



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- (ii) had commenced receipt of the Participant's supplemental retirement benefit on the date fixed for the commencement of the monthly survivor annuity, and
  - (iii) had elected to receive the supplemental retirement benefit in the Qualified Joint and Survivor Annuity form, and
  - (iv) had immediately died.

**3.2.3. Form of Benefit-When Payable.** The first payment of this monthly survivor annuity shall be due on the first day of the calendar month following the calendar month in which the Participant dies. The last payment of this monthly survivor annuity shall be due to the surviving spouse on the first day of the calendar month in which the surviving spouse dies. Any election, rescission or other action taken by the Participant shall have no effect on the monthly survivor annuity payable under this section. No other death benefit shall be payable with respect to a Participant who dies before his or her Annuity Starting Date.

**3.3. Survivor Benefit — Death After Annuity Starting Date.** The only death benefits which shall be payable under the Plan upon the death of a Participant after his or her Annuity Starting Date shall be the unpaid installments of annuity, if any, which are to be continued under the form of pension which the Participant has elected.

**3.4. Designation of Beneficiaries.**

**3.4.1. Scope.** This Section shall apply to the payment of unpaid installments of annuity, if any, which are to be continued under the Term Certain and Life Annuity after the death of the Participant and shall not apply to the payment of any benefits pursuant to any Qualified Joint and Survivor Annuity. In addition, this Section shall apply to the payment of any amount due the Beneficiary of a Key Employee pursuant to Section 3.1.4.

**3.4.2. Right To Designate Beneficiaries.** Each Participant may designate, upon forms to be furnished by and filed with the Principal Sponsor, one or more primary Beneficiaries or alternative Beneficiaries to receive all or a specified part of the unpaid installments of annuity, if any, in the event of the Participant's death. The Participant may change or revoke any such designation from time to time without notice to or consent from any Beneficiary, designated joint annuitant or spouse. No such designation, change or revocation shall be effective unless executed by the Participant and received by the Principal Sponsor during the Participant's lifetime.

**3.4.3. Failure of Designation.** If a Participant:

- (i) fails to designate a Beneficiary,
- (ii) designates a Beneficiary and thereafter such designation is revoked without another Beneficiary being named, or
- (iii) designates one or more Beneficiaries and all such Beneficiaries so designated fail to survive the Participant,

the unpaid installments of annuity, if any, or the part thereof as to which such Participant's designation fails, as the case may be, shall be payable to the first class of the following classes of automatic Beneficiaries with a member surviving the Participant and (except in the case of the Participant's surviving issue) in equal shares if there is more than one member in such class surviving the Participant:

- Participant's surviving spouse
- Participant's surviving issue per stirpes and not per capita
- Participant's surviving parents
- Participant's surviving brothers and sisters
- Representative of Participant's estate.

**3.4.4. Disclaimers by Beneficiaries.** A Beneficiary entitled to a distribution of unpaid installments of annuity, if any, may disclaim his or her interest therein subject to the following requirements. To be eligible to disclaim, a Beneficiary must be a natural person, must not have received a distribution of all or any portion of a benefit at the time such disclaimer is executed and delivered, and must have attained at least age twenty-one (21) years as of the date of the Participant's death. Any disclaimer must be in writing and must be executed personally by the Beneficiary before a notary public. A disclaimer shall state that the Beneficiary's entire interest in the undistributed benefit is disclaimed or shall specify what portion thereof is disclaimed. To be effective, an original executed copy of the disclaimer must be executed and actually delivered to the Principal Sponsor after the date of the Participant's death but not later than one hundred eighty (180) days after the date of the Participant's death. A disclaimer shall be irrevocable when delivered to the Principal Sponsor. A disclaimer shall be considered to be delivered to the Principal Sponsor only when actually received by an officer or other senior management employee of the Principal Sponsor who is familiar with and involved in the administration of this Officers' SERP. The Principal Sponsor shall be the sole judge of the content, interpretation and validity of a purported disclaimer. Upon the filing of a valid disclaimer, the Beneficiary shall be considered not to have survived the Participant as to the interest disclaimed. A disclaimer by a Beneficiary shall not be considered to be a transfer of an interest in violation of the provisions of Section 5.4 and shall not be considered to be an assignment or alienation of benefits in violation of federal law prohibiting the assignment or alienation of benefits under this Plan. No other form of attempted disclaimer shall be recognized by the Principal Sponsor.

**3.4.5. Definitions.** When used herein and, unless the Participant has otherwise specified in the Participant's Beneficiary designation, when used in a Beneficiary designation, "issue" means all persons who are lineal descendants of the person whose issue are referred to, including legally adopted descendants and their descendants but not including illegitimate descendants and their descendants; "child" means an issue of the first generation; "per stirpes" means in equal shares among living children of the person whose issue are referred to and the issue (taken collectively) of each deceased child of such person, with such issue taking by right of representation of such deceased child; and "survive" and "surviving" mean living after the death of the Participant.

**3.4.6. Special Rules.** Unless the Participant has otherwise specified in the Participant's Beneficiary designation, the following rules shall apply:

- (a) If there is not sufficient evidence that a Beneficiary was living at the time of the death of the Participant, it shall be deemed that the Beneficiary was not living at the time of the death of the Participant.

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- (b) The automatic Beneficiaries and the Beneficiaries designated by the Participant shall become fixed at the time of the Participant's death so that, if a Beneficiary survives the Participant but dies before the receipt of all payments due such Beneficiary hereunder, such remaining payments shall be payable to the representative of such Beneficiary's estate.
  - (c) If the Participant designates as a Beneficiary the person who is the Participant's spouse on the date of the designation, either by name or by relationship, or both, the dissolution, annulment or other legal termination of the marriage between the Participant and such person shall automatically revoke such designation. (The foregoing shall not prevent the Participant from designating a former spouse as a Beneficiary on a form executed by the Participant and received by the Principal Sponsor after the date of the legal termination of the marriage between the Participant and such former spouse, and during the Participant's lifetime.)
  - (d) Any designation of a nonspouse Beneficiary by name that is accompanied by a description of relationship to the Participant shall be given effect without regard to whether the relationship to the Participant exists either then or at the Participant's death.
  - (e) Any designation of a Beneficiary only by statement of relationship to the Participant shall be effective only to designate the person or persons standing in such relationship to the Participant at the Participant's death.

A Beneficiary designation is permanently void if it either is executed or is filed by a Participant who, at the time of such execution or filing, is then a minor under the law of the state of the Participant's legal residence. The Principal Sponsor shall be the sole judge of the content, interpretation and validity of a purported Beneficiary designation.

**3.5. Payment in Case of Incompetency or Disability.** In case of legal incompetency (including minority) of a person entitled to receive any payment under this Officers' SERP, payment may be made, if the Principal Sponsor has been advised of the existence of such condition:

- (i) to the duly appointed guardian, conservator or other legal representative of such incompetent person; or
- (ii) to a person or institution entrusted with the care or maintenance of the incompetent person, provided such person or institution has satisfied the Principal Sponsor that the payment will be used for the best interest and assist in the care of such disabled person or, provided further, that no prior claim for said payment has been made by a duly appointed guardian, conservator or other legal representative of such disabled person.

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Any payment made in accordance with this Section shall constitute a complete discharge of any liability or obligation of this Officers' SERP and the Principal Sponsor and all Employers therefor.

## SECTION 4

### FUNDING

4.1. **Unfunded Obligation.** The obligation of the Principal Sponsor to make payments under this Officers' SERP constitutes only the unsecured (but legally enforceable) promise of the Principal Sponsor to make such payments. The Participant shall have no lien, prior claim or other security interest in any property of any Principal Sponsor. If a fund (including, for example, a rabbi trust) is established by the Principal Sponsor in connection with this Officers' SERP, the property therein shall remain the sole and exclusive property of the Principal Sponsor. Except to the extent the Principal Sponsor in its discretion may establish and pay benefits from such a fund (including, for example, a rabbi trust), the Principal Sponsor will pay the cost of this Officers' SERP out of its general assets.

4.2. **Hedging Investments.** If the Principal Sponsor elects to finance all or a portion of its costs in connection with this Officers' SERP through the purchase of life insurance or other investments, the Participant agrees, as a condition of participation in this Officers' SERP, to cooperate with the Principal Sponsor in the purchase of such investment to any extent reasonably required by the Principal Sponsor and relinquishes any claim he or she may have either for himself or herself or any beneficiary to the proceeds of any such investment or any other rights or interests in such investment. If a Participant fails or refuses to cooperate, then notwithstanding any other provision of the Plan Statement (including, without limiting the generality of the foregoing, Section 4) the Principal Sponsor shall immediately and irrevocably terminate and forfeit the Participant's entitlement to benefits under this Officers' SERP.

4.3. **Consensual Creditor.** Neither the Principal Sponsor's officers nor any member of its Board of Directors in any way secures or guarantees the payment of any benefit or amount which may become due and payable hereunder to or with respect to any Participant. Each Participant and other person entitled at any time to payments hereunder shall look solely to the assets of the Principal Sponsor for such payments as an unsecured, general creditor. After benefits shall have been paid to or with respect to a Participant and such payment purports to cover in full the benefit hereunder, such former Participant or other person or persons, as the case may be, shall have no further right or interest in the other assets of the Principal Sponsor in connection with this Officers' SERP. Neither the Principal Sponsor nor any of its officers nor any member of its Boards of Directors shall be under any liability or responsibility for failure to effect any of the objectives or purposes of this Officers' SERP by reason of the insolvency of the Principal Sponsor.

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## SECTION 5

### GENERAL MATTERS

#### 5.1. Amendment and Termination.

5.1.1. **Before a Change in Control.** Prior to the occurrence of a Change in Control, the Board of Directors of the Principal Sponsor may unilaterally amend the Plan Statement prospectively, retroactively or both, at any time and for any reason deemed sufficient by it without notice to any person affected by this Officers' SERP and may likewise terminate this Officers' SERP both with regard to persons expecting to receive benefits in the future; provided, however, that:

- (a) the benefit, if any, payable to or with respect to a Participant who has had a Termination of Employment as of the effective date of such amendment or the effective date of such termination shall not be, without the written consent of the Participant, diminished or delayed by such amendment or termination, and
- (b) the benefit, if any, payable to or with respect to each other Participant determined as if such Participant had a Termination of Employment on the effective date of such amendment or the effective date of such termination shall not be, without the written consent of the Participant, diminished or delayed by such amendment or termination.

#### 5.1.2. After a Change in Control.

- (a) **Existing Participants.** After the occurrence of a Change in Control, the Board of Directors of the Principal Sponsor may only amend the Plan Statement or terminate this Officers' SERP as applied to Participants who are Participants on the date of the Change in Control if:
  - (i) all benefits payable to or with respect to persons who were Participants as of the Change in Control (including benefits earned before and benefits earned after the Change in Control) have been paid in full, or
  - (ii) eighty percent (80%) of all the Participants determined as of the date of the Change in Control give knowing and voluntary written consent to such amendment or termination.
- (b) **New Participants.** After the occurrence of a Change in Control, as applied to Participants who are not Participants on the date of the Change in Control, the Board of Directors of the Principal Sponsor may unilaterally amend the Plan Statement prospectively, retroactively or both, at any time and for any reason deemed sufficient by it without notice to any person affected by this Officers' SERP and may likewise terminate this Officers' SERP.

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**5.1.3. No Oral Amendments.** No modification of the terms of the Plan Statement or termination of the Officers' SERP shall be effective unless it is in writing and signed on behalf of the Principal Sponsor by a person authorized to execute such writing. No oral representation concerning the interpretation or effect of the Plan Statement shall be effective to amend the Plan Statement.

**5.1.4. Plan Binding on Successors.** The Principal Sponsor will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Principal Sponsor), by agreement, to expressly assume and agree to perform this Officers' SERP in the same manner and to the same extent that the Principal Sponsor would be required to perform it if no such succession had taken place.

**5.1.5. Termination.** Following a termination of the Plan, Accrued SERP Benefits shall remain in the Plan until the Participant becomes eligible for the benefits provided in Section 3. The termination of the Plan shall not adversely affect any Participant or Beneficiary who has become entitled to the payment of any benefits under the Plan as of the date of termination. Notwithstanding the foregoing, to the extent permissible under section 409A of the Internal Revenue Code and related Treasury regulations and guidance, if there is a termination of the Plan with respect to all Participants, the Compensation Committee shall have the right, in its sole discretion, and notwithstanding any elections made by the Participant, to immediately pay all benefits in a lump sum following such termination of the Plan.

**5.2. ERISA Administrator.** The Principal Sponsor shall be the plan administrator of this Officers' SERP.

**5.3. Service of Process.** In the absence of any designation to the contrary by the Principal Sponsor, the Secretary of the Principal Sponsor is designated as the appropriate and exclusive agent for the receipt of service of process directed to this Officers' SERP in any legal proceeding, including arbitration, involving this Officers' SERP.

**5.4. Spendthrift Provision.** No Participant, surviving spouse, joint or contingent annuitant or beneficiary shall have the power to transmit, assign, alienate, dispose of, pledge or encumber any benefit payable under this Officers' SERP before its actual payment to such person. The Principal Sponsor shall not recognize any such effort to convey any interest under this Officers' SERP. No benefit payable under this Officers' SERP shall be subject to attachment, garnishment, execution following judgment or other legal process before actual payment to such person.

**5.5. Administrative Determinations.** The Principal Sponsor shall make such determinations as may be required from time to time in the administration of this Officers' SERP. The Principal Sponsor shall have the discretionary authority and responsibility to interpret and construe the Plan Statement and to determine all factual and legal questions under this Officers' SERP, including but not limited to the entitlement of Participants and others, and

the amounts of their respective interests. Each interested party may act and rely upon all information reported to them hereunder and need not inquire into the accuracy thereof, nor be charged with any notice to the contrary.

**5.6. Rules and Regulations.** Any rule not in conflict or at variance with the provisions hereof may be adopted by the Principal Sponsor.

**5.7. Certifications.** Information to be supplied or written notices to be made or consents to be given by the Principal Sponsor pursuant to any provision of the Plan Statement may be signed in the name of the Principal Sponsor by any officer who has been authorized to make such certification or to give such notices or consents.

**5.8. Errors in Computations.** The Principal Sponsor shall not be liable or responsible for any error in the computation of any benefit payable to or with respect to any Participant resulting from any misstatement of fact made by the Participant or by or on behalf of any survivor to whom such benefit shall be payable, directly or indirectly, to the Principal Sponsor, and used by the Principal Sponsor in determining the benefit. The Principal Sponsor shall not be obligated or required to increase the benefit payable to or with respect to such Participant which, on discovery of the misstatement, is found to be understated as a result of such misstatement of the Participant. However, the benefit of any Participant which is overstated by reason of any such misstatement or any other reason shall be reduced to the amount appropriate in view of the truth (and to recover any prior overpayment by offset or other legal process).

## **SECTION 6**

### **FORFEITURE OF BENEFITS**

All unpaid benefits under this Officers' SERP, shall be permanently forfeited upon the determination by the Compensation Committee of the Board of Directors of the Principal Sponsor that the Participant, either before or after Termination of Employment:

- (a) engaged in a felonious or fraudulent conduct resulting in material harm to the Principal Sponsor or an affiliate; or
- (b) made an unauthorized disclosure to a competitor of any material confidential information, trade information, or trade secrets of the Principal Sponsor or an affiliate; or
- (c) provided the Principal Sponsor or an affiliate with materially false reports concerning his or her business interests or employment; or
- (d) made materially false representations which are relied upon by the Principal Sponsor or an affiliate in furnishing information to shareholders, accountants, a stock exchange, the Securities and Exchange Commission or a public or private regulatory body; or

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- (e) maintained an undisclosed, unauthorized and material conflict of interest in the discharge of the duties owed by the Participant to the Principal Sponsor or an affiliate; or
  - (f) engaged in conduct causing a serious violation of state or federal law by the Principal Sponsor or an affiliate; or
  - (g) engaged in the theft of assets or funds of the Principal Sponsor or an affiliate; or
  - (h) has been convicted of any crime which directly or indirectly arose out of his or her employment relationship with the Principal Sponsor or an affiliate or materially affected his or her ability to discharge the duties of his or her employment with the Principal Sponsor or an affiliate; or
  - (i) engaged during his or her employment or during a period of two (2) years after the termination of his or her employment in any employment or self-employment with a competitor of the Principal Sponsor or an affiliate within the geographical area which is then served by the Principal Sponsor or an affiliate.

## SECTION 7

### CLAIMS PROCEDURE

Without limiting the generality of the following, an application for benefits under Section 3 and any objection to a forfeiture under Section 6 shall be processed as a claim for the purposes of this section.

**7.1. Original Claim.** Any person may file with the Compensation Committee of the Board of Directors of the Principal Sponsor a written claim for benefits under this Officers' SERP. Within ninety (90) days after the filing of such a claim, the Compensation Committee shall notify the claimant in writing whether his or her claim is upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred eighty days from the date the claim was filed) to reach a decision on the claim. If the claim is denied in whole or in part, the Compensation Committee shall state in writing:

- (a) the specific reasons for the denial;
- (b) the specific references to the pertinent provisions of the Plan Statement on which the denial is based;



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- (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
  - (d) an explanation of the claims review procedure set forth in this section.

**7.2. Claims Review Procedure.** Within sixty (60) days after receipt of notice that his or her claim has been denied in whole or in part, the claimant may file with the Compensation Committee a written request for a review and may, in conjunction therewith, submit written issues and comments. Within sixty (60) days after the filing of such a request for review, the Compensation Committee shall notify the claimant in writing whether, upon review, the claim was upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred twenty days from the date the request for review was filed) to reach a decision on the request for review.

**7.3. General Rules.**

- (a) No inquiry or question shall be deemed to be a claim or a request for a review of a denied claim unless made in accordance with the claims procedure. The Compensation Committee may require that any claim for benefits and any request for a review of a denied claim be filed on forms to be furnished by the Compensation Committee upon request.
- (b) All decision on claims and on requests for a review of denied claims shall be made by the Compensation Committee.
- (c) The Compensation Committee may, in its discretion, hold one or more hearings on a claim or a request for a review of a denied claim.
- (d) Claimants may be represented by a lawyer or other representative (at their own expense), but the Compensation Committee reserves the right to require the claimant to furnish written authorization. A claimant's representative shall be entitled to receive copies of notices sent to the claimant.
- (e) The decision of the Compensation Committee on a claim and on a request for a review of a denied claim shall be served on the claimant in writing. If a decision or notice is not received by a claimant within the time specified, the claim or request for a review of a denied claim shall be deemed to have been denied.
- (f) Prior to filing a claim or a request for a review of a denied claim, the claimant or his or her representative shall have a reasonable opportunity to review a copy of the Plan Statement and all other pertinent documents in the possession of the Principal Sponsor.

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- (g) The Compensation Committee may permanently or temporarily delegate all or a portion of its authority and responsibility under this Section to a another committee or to an individual.
  - (h) The procedures and remedies herein are not exclusive. Subsequent to a Change in Control, a Participant or surviving spouse of a Participant shall not be required to exhaust these administrative remedies. If there is litigation regarding the benefits payable to or with respect to a Participant, then notwithstanding Section 5.5, determinations made by the Principal Sponsor subsequent to a Change in Control (even if such determinations relate to events occurring wholly or partially before the Change in Control) shall not be afforded any deference and the matter shall be heard *de novo*.
  - (i) If any Participant successfully litigates, in whole or in part, any claim for benefits under this Officers' SERP, the court shall award reasonable attorney's fees and costs of the action to the Participant.

## SECTION 8

### CONSTRUCTION

8.1. **ERISA Status.** This SERP is adopted with the understanding that it is an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as provided in section 201(2), section 301(3) and section 401(a)(1) of ERISA. Each provision shall be interpreted and administered accordingly.

8.2. **IRC Status.** This SERP is intended to be a nonqualified deferred compensation arrangement. The rules of section 401(a) *et. seq.* of the Code shall not apply to this Officers' SERP. The rules of section 3121(v) and section 3306(r)(2) of the Code shall apply to this Officers' SERP. Apogee has affirmatively determined that all amounts deferred under the Plan that were earned and vested before January 1, 2005, shall not be subject to section 409A of the Code (i.e., will be "grandfathered" under the law as it existed before section 409A of the Code) and this Plan Statement shall be construed and administered accordingly. Notwithstanding the foregoing, neither Apogee nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any Participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the Participant or other person on account of any amounts under this Plan or on account of any failure to comply with any Code section.

8.3. **Effect on Other Plans.** This SERP shall not alter, enlarge or diminish any person's employment rights or obligations or rights or obligations under the Defined Contribution Plans or any other plan. It is specifically contemplated that the Defined Contribution Plans will, from time to time, be amended and possibly terminated. All such amendments and termination shall be given effect under this Officers' SERP (it being expressly intended that this Officers' SERP

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shall not lock in the benefit structures of the Defined Contribution Plans or any other plan as they exist at the adoption of this Officers' SERP or upon the commencement of participation, or commencement of benefits by any Participant).

**8.4. Disqualification.** Notwithstanding any other provision of the Plan Statement or any election or designation made under this Officers' SERP, any individual who feloniously and intentionally kills a Participant shall be deemed for all purposes of this Officers' SERP and all elections and designations made under this Officers' SERP to have died before such Participant. A final judgment of conviction of felonious and intentional killing is conclusive for this purpose. In the absence of a conviction of felonious and intentional killing, the Principal Sponsor shall determine whether the killing was felonious and intentional for this purpose.

**8.5. Rules of Document Construction.** Whenever appropriate, words used herein in the singular may be read in the plural, or words used herein in the plural may be read in the singular; the masculine may include the feminine; and the words "hereof," "herein" or "hereunder" or other similar compounds of the word "here" shall mean and refer to the entire Plan Statement and not to any particular paragraph or Section of the Plan Statement unless the context clearly indicates to the contrary. The titles given to the various Sections of the Plan Statement are inserted for convenience of reference only and are not part of the Plan Statement, and they shall not be considered in determining the purpose, meaning or intent of any provision hereof. Notwithstanding any thing apparently to the contrary contained in the Plan Statement, the Plan Statement shall be construed and administered to prevent the duplication of benefits provided under this Officers' SERP and any other qualified or nonqualified plan maintained in whole or in part by the Principal Sponsor.

**8.6. References to Laws.** Any reference in the Plan Statement to a statute or regulation shall be considered also to mean and refer to any subsequent amendment or replacement of that statute or regulation.

**8.7. Effect on Employment.** Neither the terms of the Plan Statement nor the benefits under this Officers' SERP nor the continuance thereof shall be a term of the employment of any employee. The Principal Sponsor shall not be obliged to continue this Officers' SERP. The terms of this Officers' SERP shall not give any employee the right to be retained in the employment of any Employer.

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8.8. **Choice of Law.** This instrument has been executed and delivered in the State of Minnesota and has been drawn in conformity to the laws of that State and shall, except to the extent that federal law is controlling, be construed and enforced in accordance with the laws of the State of Minnesota.

October 13, 2006

APOGEE ENTERPRISES, INC.

By: /s/ Russell Huffer

Its: Chairman and Chief Executive Officer

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**FIRST AMENDMENT  
OF  
APOGEE ENTERPRISES, INC.  
OFFICERS' SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN  
(2005 Restatement)**

The "APOGEE ENTERPRISES, INC. OFFICERS' SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN" as adopted by APOGEE ENTERPRISES, INC., a Minnesota corporation, and first effective January 1, 1998, and as amended and restated in a document entitled "Apogee Enterprises, Inc. Officers' Supplemental Executive Retirement Plan (2005 Restatement)" effective January 1, 2005, is hereby amended in the following respect. However, it is not the intent of APOGEE ENTERPRISES, INC. to in any manner limit any of the grandfathering provisions found in Internal Revenue Service Notice 2005-1, the proposed regulations or Code Section 409A. This Amendment will be administered and construed on a basis consistent with this intent.

**1. ACCRUED BENEFITS. Effective as of January 1, 2006, Section 1.1.1 of the Plan Statement is amended to read in full as follows:**

1.1.1. **Accrued SERP Benefit** — a dollar amount determined as of a Participant's Termination of Employment and expressed as a Single Life Annuity payable for the life of the Participant with an Annuity Starting Date on the first day of the calendar month following the calendar month in which the Participant would attain Normal Retirement Date (or Termination of Employment, if later) and which is equal to (a) minus (b):

- (a) **Primary Benefit.** A dollar amount equal to (i) plus (ii):
  - (i) A dollar amount equal to:
    - (A) two percent (2%), multiplied by
    - (B) the Participant's Average Monthly Basis Compensation determined as of the Participant's Termination of Employment, multiplied by
    - (C) the Participant's Benefit Service determined as of the Participant's Termination of Employment.
  - (ii) A dollar amount equal to:
    - (A) four percent (4%), multiplied by

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- (B) the Participant's Average Monthly Bonus Compensation determined as of the Participant's Termination of Employment, multiplied by
  - (C) the Participant's Benefit Service determined as of the Participant's Termination of Employment.
- (b) **Offsets.** A dollar amount equal to:
- (i) the Defined Contribution Plans Offset, plus
  - (ii) the Participant's Social Security Benefit.
- (c) **Future Changes.** Prior to the Termination of Employment, a Participant's Accrued SERP Benefit may increase and may decrease from time to time.

**2. COMPENSATION. Effective January 1, 2006, Section 1.1.3 of the Plan Statement is amended to read in full as follows:**

1.1.3. **Average Monthly Basis Compensation** — one-sixtieth (1/60th) of the total dollar amount of Pensionable Compensation attributable to the five (5) consecutive, completed calendar years which produce the highest amount; subject, however, to the following:

- (a) **Less Than Five Years.** If the Participant shall have received Pensionable Compensation attributable to less than five (5) consecutive, completed calendar years as of the date his or her Average Monthly Basis Compensation is determined, his or her Average Monthly Basis Compensation shall be equal to the total of all the Pensionable Compensation attributable to his or her consecutive, completed calendar years, divided by the number of months (12, 24, 36 or 48) in the consecutive, completed calendar years to which any of his or her Pensionable Compensation is attributable.
- (b) **Completed Years.** Completed calendar years are all calendar years which are completed prior to the specific date as of which the Average Monthly Basis Compensation is determined and during all of which the Participant was an employee of the Employer.
- (c) **Final Partial Year.** If it results in a higher Average Monthly Basis Compensation, there shall be included in the determination the partial year's Pensionable Compensation attributable to the final partial calendar year in which the Participant's Termination of Employment occurred (as if it were a completed year) in lieu of the Participant's entire Pensionable Compensation attributable to an earlier completed calendar year (but the requirement that the calendar years considered shall be consecutive shall not be waived or altered by this special rule).

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- (d) **Ten-Year Limit.** In determining the Participant's Average Basis Monthly Compensation, there shall be disregarded all Pensionable Compensation attributable to calendar years ending more than ten (10) years prior to the date as of which the Average Monthly Basis Compensation is determined.
  - (e) **No Compensation.** The absence of Pensionable Compensation (or less than full compensation) in any calendar year shall not affect the requirement that only consecutive calendar years be considered in determining a Participant's Average Monthly Basis Compensation.

**3. COMPENSATION. Effective January 1, 2006, Section 1.1 of the Plan Statement is amended by the addition of the following new Section 1.1.4 (and all subsequent subsections are renumbered):**

**1.1.4. Average Monthly Bonus Compensation** — one-sixtieth (1/60th) of the total dollar amount of Bonus Compensation attributable to the five (5) consecutive, completed calendar years which produce the highest amount; subject, however, to the following:

- (a) **Less Than Five Years.** If the Participant shall have received Bonus Compensation attributable to less than five (5) consecutive, completed calendar years as of the date his or her Average Monthly Bonus Compensation is determined, his or her Average Monthly Bonus Compensation shall be equal to the total of all the Bonus Compensation attributable to his or her consecutive, completed calendar years, divided by the number of months (12, 24, 36 or 48) in the consecutive, completed calendar years to which any of his or her Bonus Compensation is attributable.
- (b) **Completed Years.** Completed calendar years are all calendar years which are completed prior to the specific date as of which the Average Monthly Bonus Compensation is determined and during all of which the Participant was an employee of the Employer.
- (c) **Final Partial Year.** If it results in a higher Average Monthly Bonus Compensation, there shall be included in the determination the partial year's Bonus Compensation attributable to the final partial calendar year in which the Participant's Termination of Employment occurred (as if it were a completed year) in lieu of the Participant's entire Bonus Compensation attributable to an earlier completed calendar year (but the requirement that the calendar years considered shall be consecutive shall not be waived or altered by this special rule).
- (d) **Ten-Year Limit.** In determining the Participant's Average Bonus Monthly Compensation, there shall be disregarded all Bonus Compensation attributable to calendar years ending more than ten (10) years prior to the date as of which the Average Monthly Bonus Compensation is determined.

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- (e) **No Compensation.** The absence of Bonus Compensation (or less than full compensation) in any calendar year shall not affect the requirement that only consecutive calendar years be considered in determining a Participant's Average Monthly Bonus Compensation.

**4. COMPENSATION. Effective January 1, 2006, Section 1.1 of the Plan Statement is amended by the addition of the following new Section 1.1.7 (and all subsequent subsections are renumbered):**

**1.1.7. Bonus Compensation** — Compensation paid to a Participant by the Employer that is earned under an incentive compensation arrangement as adopted on a year-to-year basis, prior to the end of a fiscal year, and as revised from time to time, which provides for incentive compensation on the attainment of defined financial goals and, if applicable, individual business goals during the course of a fiscal year, provided the Participant remains in the employ of the Employer or its subsidiaries at the end of that fiscal year; subject, however, to the following:

- (a) **Included Items.** In determining a Participant's Bonus Compensation there shall be included elective contributions made by the Employer on behalf of the Participant that are not includable in gross income including elective contributions authorized by the Participant under a Retirement Savings Agreement, a cafeteria plan or any other qualified cash or deferred arrangement under section 401(k) of the Code. Remuneration voluntarily deferred under any qualified or nonqualified deferred compensation plan maintained by the Principal Sponsor or an Employer shall be included, subject to the other rules of this Section, at the time it would have been paid but for the election to voluntarily defer such remuneration.
- (b) **Excluded Items.** In determining a Participant's Bonus Compensation there shall be excluded all of the following: (i) reimbursements or other expense allowances including foreign service allowances, station allowances, foreign tax equalization payment and other similar payments, (ii) welfare and fringe benefits (both cash and noncash) including third-party sick pay (*i.e.*, short-term and long-term disability insurance benefits), income imputed from insurance coverages and premiums, employee discounts and other similar amounts, payments for vacation or sick leave accrued but not taken, final payments on account of termination of employment (*i.e.*, severance payments) and settlement for accrued but unused vacation and sick leave, (iii) moving expenses, (iv) deferred compensation (when received), (v) the value of stock options and stock appreciation rights (whether or not exercised) and other similar amounts, and (vi) all premium pay for overtime work and premium pay for shift differentials.
- (c) **Pre-Participation Employment.** Bonuses paid by the Employer attributable to periods prior to the date the Participant became a Participant in the Plan shall be taken into account in determining the Participant's Bonus Compensation.



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- (d) **Attribution to Periods.** All bonuses shall be considered attributable to the period when earned or accrued and not the period in which it is actually paid.
  - (e) **Periods Prior to 2006.** In determining a Participant's Bonus Compensation for periods prior to January 1, 2006, one-half (1/2) of all Bonus Compensation for a period shall be disregarded.

**5. PENSIONABLE COMPENSATION. Effective January 1, 2006, Section 1.1.16(b) (formerly Section 1.1.14(b)) of the Plan Statement is amended to read in full as follows:**

- (b) **Excluded Items.** In determining a Participant's Pensionable Compensation there shall be excluded all of the following: (i) reimbursements or other expense allowances including foreign service allowances, station allowances, foreign tax equalization payment and other similar payments, (ii) welfare and fringe benefits (both cash and noncash) including third-party sick pay (*i.e.*, short-term and long-term disability insurance benefits), income imputed from insurance coverages and premiums, employee discounts and other similar amounts, payments for vacation or sick leave accrued but not taken, final payments on account of termination of employment (*i.e.*, severance payments) and settlement for accrued but unused vacation and sick leave, (iii) moving expenses, (iv) deferred compensation (when received), (v) the value of stock options and stock appreciation rights (whether or not exercised) and other similar amounts, (vi) all premium pay for overtime work and premium pay for shift differentials and (vii) all Bonus Compensation defined in Section 1.14 prior to the adjustment in Section 1.14(e).

**6. PENSIONABLE COMPENSATION. Effective January 1, 2006, Section 1.1.16(e) (formerly Section 1.1.14(e)) of the Plan Statement is amended by removing the phrase "(e.g., bonuses)" from the second sentence.**

**7. SAVINGS CLAUSE. Save and except as herein expressly amended, the Plan Statement shall continue in full force and effect.**

October 13, 2006

APOGEE ENTERPRISES, INC.

By /s/ Russell Huffer  
Its Chairman and Chief Executive  
Officer

**APOGEE ENTERPRISES, INC.**  
**("Apogee")**  
**DEFERRED INCENTIVE COMPENSATION PLAN**  
**(2005 Restatement)**

First Effective February 27, 1986  
As Amended and Restated Effective January 1, 2005

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**APOGEE ENTERPRISES, INC.**  
**(“Apogee”)**  
**DEFERRED INCENTIVE COMPENSATION PLAN**  
**(2005 Restatement)**

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**APOGEE ENTERPRISES, INC.**  
**(“Apogee”)**  
**DEFERRED INCENTIVE COMPENSATION PLAN**  
**(2005 Restatement)**

**SECTION 1**

**INTRODUCTION AND DEFINITIONS**

**1.1. Amendment and Restatement.** Effective February 27, 1986, Apogee Enterprises, Inc., a Minnesota corporation (hereinafter sometimes referred to as “Apogee”) and certain affiliated corporations (together with Apogee hereinafter sometimes collectively referred to as the “Employers” and separately as the “Employer”) created a nonqualified, unfunded, elective deferral plan for the purpose of allowing a select group of management and highly compensated employees of the Employers to defer the receipt of incentive compensation which would otherwise be paid to those employees. Apogee reserved to itself, by action of the Compensation Committee of its Board of Directors, to amend that Plan and has done so on prior occasions. By the adoption of this 2005 Restatement, Apogee does hereby completely amend and restate the terms of the Plan in this Plan Statement.

**1.2. Unfunded Obligation.** The obligation of the Employers to make payments under this Plan constitutes only the unsecured (but legally enforceable) promise of the Employers to make such payments. No Participant shall have any lien, prior claim or other security interest in any property of the Employers. The Employers shall have no obligation to establish or maintain any fund, trust or account (other than a bookkeeping account or reserve) for the purpose of funding or paying the benefits promised under this Plan. If such a fund, trust or account is established, the property therein shall remain the sole and exclusive property of the Employer that established it. The Employers shall be obligated to pay the benefits of this Plan out of their general assets.

**1.3. Definitions.** When the following terms are used herein with initial capital letters, they shall have the following meanings:

**1.3.1. Affiliate** — a business entity which is affiliated in ownership with Apogee that is recognized as an Affiliate by the Plan Administrator for the purposes of this Plan.

**1.3.2. Committee** — the Compensation Committee of the Apogee Board of Directors.

**1.3.3. Deferred Compensation Account** — the account of a Participant under the Plan as provided in Section 3.1.

**1.3.4. Disability** — mental or physical disability which, in the opinion of the Committee, based on medical evidence satisfactory to the Committee, prevents a Participant from engaging in the principal duties of his or her employment.

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1.3.5. **Financial Hardship** — an immediate, severe financial need of a Participant, resulting from an event not reasonably foreseeable by the Participant, which cannot be met by the Participant from other resources reasonably available to the Participant from insurance or reimbursement, liquidation of assets to the extent that would not itself cause severe financial hardship or cessation of deferrals under the Plan. Such events would arise, for example, from a serious illness, injury or accident of the Participant or a dependent member of Participant's family, loss of property due to casualty or similar severe, extraordinary and unforeseeable circumstances beyond the control of Participant detrimentally affecting the health or welfare of the Participant or a dependent member of Participant's family. The Committee shall determine when Financial Hardship occurs and its determination shall be final and not subject to review or challenge by a Participant. However, when the term "Financial Hardship" is used in the Plan Statement in connection with the Post 2004 Account, it shall be construed to have the same meaning consistent with the term "Unforeseeable Emergency" as used in section 409A of the Code.

1.3.6. **Fiscal Year** — the annual period ending on the Saturday closest to the last day of February or such fiscal year of Apogee as it may be changed hereafter from time to time.

1.3.7. **Incentive Plan** — the incentive compensation arrangement of Apogee as adopted on a year to year basis, prior to the end of a Fiscal Year, and as revised from time to time, which provides for incentive compensation to selected management employees of Apogee or its Subsidiaries on the attainment of defined financial goals during the course of a Fiscal Year, if said employee remains in the employ of Apogee or its Subsidiaries at the end of that Fiscal Year.

1.3.8. **Participant** — a person employed by Apogee or its Subsidiaries who is a participant in and eligible to receive compensation under the Incentive Plan and who has elected to defer such compensation under this Plan, or a person who, prior to the time of Retirement, death, Disability, or Termination of Employment, had elected to defer such compensation under this Plan and who retains, or whose beneficiaries retain, benefits under the Plan and in accordance with its terms.

1.3.9. **Plan** — this Deferred Incentive Compensation Plan, as it may be amended from time to time.

1.3.10. **Post 2004 Account** — the Deferred Compensation Account excluding the Pre 2005 Account, if any.

1.3.11. **Pre 2005 Benefit** — the Deferred Compensation Account that was both accrued and vested before January 1, 2005, under the terms of the Plan as of December 31, 2004, if any.

1.3.12. **Retirement** — a Participant's retirement at or after attaining age 65.

1.3.13. **Subsidiary** — a corporation, of which Apogee owns at least fifty percent (50%) of the shares having voting power in the election of directors.

1.3.14. **Termination of Employment** — a Participant's termination of employment with Apogee or its Subsidiaries, whether voluntary or involuntary. However, when the term

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“Termination of Employment” is used in the Plan Statement in connection with Post 2004 Account, it shall be construed to have the same meaning consistent with the term “Separation from Service” as used in section 409A of the Code.

## SECTION 2

### PARTICIPATION

#### 2.1. Participation.

##### 2.1.1. Participation by Affirmative Selection.

- (a) Each employee of an Employer selected for participation in this Plan for a particular Plan Year by the Chief Executive Officer shall become a Participant in this Plan as of the first day of that Plan Year.
- (b) The Chief Executive Officer shall not select any employee for participation unless the Chief Executive Officer determines that such employee will be for that Plan Year a member of a select group of management or highly compensated employees (as that expression is used in ERISA).
- (c) The Chief Executive Officer shall select such employees for participation in this Plan on a Plan Year by Plan Year basis. Selection for one Plan Year does not entitle the employee to be selected any subsequent Plan Year.
- (d) If an employee selected for participation in this Plan for one year is not selected for a subsequent Plan Year or if an employee selected for participation ceases to be a member of a select group of management or highly compensated employees (as that expression is used in ERISA), no further deferrals shall be made by or for that employee but the Deferred Compensation Account shall not thereby become distributable.

2.1.2. **Election of Participants.** For any Fiscal Year, any Participant may elect to defer all or any portion of the compensation that may become payable to the Participant under the Incentive Plan. The election shall be made in writing on the form set forth in Exhibit A, designating the percentage or amount of the compensation that may be due under the Incentive Plan which is to be deferred, signed by the participant and delivered to the Director of Compensation prior to the commencement of the Fiscal Year with respect to which the compensation is to be earned and deferred. If an individual is employed by Apogee during the Fiscal Year and is to be eligible for compensation under the Incentive Plan, that individual shall make the election to defer prior to the first day of employment. The election to defer under the Plan, once made, is irrevocable.

2.2. **Specific Exclusion.** Notwithstanding anything apparently to the contrary in the Plan Statement or in any written communication, summary, resolution or document or oral communication, no individual shall be a Participant in this Plan, develop benefits under this Plan or be entitled to receive benefits under this Plan (either for himself or herself or his or her survivors)



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unless such individual is a member of a select group of management or highly compensated employees (as that expression is used in ERISA). If a court of competent jurisdiction, any representative of the U.S. Department of Labor or any other governmental, regulatory or similar body makes any direct or indirect, formal or informal, determination that an individual is not a member of a select group of management or highly compensated employees (as that expression is used in ERISA), such individual shall not be (and shall not have ever been) a Participant in this Plan at any time. If any person not so defined has been erroneously treated as a Participant in this Plan, upon discovery of such error such person's erroneous participation shall immediately terminate *ab initio* and the individual's Account shall be forfeited immediately and such person shall be obligated to reimburse the Employers for all amounts erroneously paid to him or her.

### SECTION 3

#### DEFERRED COMPENSATION ACCOUNT

3.1. **Crediting the Account.** Following the close of the Fiscal Year end, and as soon thereafter as may be reasonably practicable, Apogee shall determine the amount of compensation due a Participant, if any, under the Incentive Plan and the portion deferred by a Participant shall then be credited to a general ledger account. A separate account, the Deferred Compensation Account, shall be kept in the name of each Participant and each beneficiary of a deceased Participant.

3.2. **Earnings on the Account.** The balance of each Participant's Deferred Compensation Account shall be credited as a book entry with interest, compounded quarter-annually, on the last day of each quarter of each Fiscal Year, or pro-rata for such lesser period as may occur in the event that the Deferred Compensation Account is credited with deferred compensation or reduced by a distribution from the Deferred Compensation Account on a day other than the last day of a Fiscal Year quarter. The applicable interest rate in any Fiscal Year shall be determined as of the beginning of each Fiscal Year and shall be the greater of the following rates:

- (a) The sum of one and one-half percent (1-1/2%) plus the monthly average yield for the last calendar month of the prior Fiscal Year on United States Treasury securities adjusted to a constant maturity of ten (10) years, as calculated and published by the Federal Reserve Board, or, if the Federal Reserve Board discontinues its publication of such yields, as calculated by such other source, based upon comparable information, as the Committee may select; or
- (b) One-half (1/2) of the rate of Apogee's after-tax return on beginning shareholders' equity for the prior Fiscal Year, calculated by dividing Apogee's net earnings after deduction of taxes for the prior Fiscal Year by total shareholders' equity on the first day of the prior Fiscal Year, all as determined by the regularly engaged certified public accountants of Apogee from the audited, consolidated financial statements of Apogee.

3.3. **Administration of the Account.** Subject to Section 5, Apogee shall have the right, but not the obligation to segregate funds which represent sums which accrue in the Deferred Compensation Account, and, in the sole discretion of the Committee, to hold such funds in cash or invest or reinvest the same in any manner it deems desirable.

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## SECTION 4

### DISTRIBUTION OF DEFERRED COMPENSATION ACCOUNT

**4.1. Events of Distribution.** Distribution of the amount accrued on behalf of a Participant in a Deferred Compensation Account shall be made in a lump sum upon a date determined in the sole discretion of the Committee, but not later than ninety (90) days from the date of the first to occur of the following events:

- (a) Participant's Termination of Employment;
- (b) the Retirement of Participant;
- (c) the death of Participant;
- (d) the Disability of Participant; or
- (e) Financial Hardship affecting the Participant.

**4.2. Alternative Distribution Methods.** Notwithstanding the provisions of Section 4.1, following the occurrence of an event described in Section 4.1, except Financial Hardship, a distribution may be made in such other manner as a Participant elects on the form attached hereto as Exhibit A executed and delivered to the Committee at the time the Participant makes his or her first election to defer compensation under the Plan. Except with respect to the Post 2004 Account, if a Participant elects distribution in a form other than lump sum, the Committee, notwithstanding such election, shall have the right in its sole discretion to vary the manner and time of making installment distributions, in a lump sum or over a shorter or longer period of time as it may find appropriate. In the event of Financial Hardship, the distribution shall not exceed the amount determined by the Committee, in its sole discretion, to meet the immediate need of the Participant on account of the Financial Hardship.

**4.3. Installment Distributions.** In the event of installment distribution, each monthly installment shall be paid on the first day of each calendar month in an amount equal to the balance credited to the Participant's Deferred Compensation Account on the date in which the first monthly distribution is to be made, divided by the number of months for which the distribution is to be made. However, following the close of the first Fiscal Year immediately succeeding the first month of distribution, and for each Fiscal Year thereafter until the Deferred Compensation Account is reduced to zero, an additional amount shall be paid monthly to the Participant equal to one-twelfth (1/12) of the earnings on the Participant's Deferred Compensation Account for the prior Fiscal Year or any portion thereof, as determined under Section 3.2.

**4.4. Key Employee.** Notwithstanding Section 4.1, if payments are to be made on account of Termination of Employment to a Key Employee (as defined in section 409A of the Code), payment

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of the Participant's Post 2004 Account payable under Section 4.1 above shall be suspended until a date that is six (6) months after the date of the Termination of Employment. As soon as administratively feasible after the six (6) month anniversary of the Participant's Termination of Employment, the Participant shall receive all payments, without interest, the Participant would have been entitled to receive during this six month period had the Participant not been a Key Employee. Thereafter, payments shall be made in accordance with Section 4.1 above. If a Participant dies prior to receiving a payment under this Section no benefit shall be paid under this Section.

**4.5. Beneficiary of Key Employee.** In the Participant dies prior to receiving a payment in accordance with Section 4.4, the Participant's Beneficiary shall be entitled to receive a lump sum payment equal to the amount of payments, without interest, the Participant would have been entitled to receive prior to the Participant's death had the Participant not been a Key Employee.

## **SECTION 5**

### **INTEREST OF PARTICIPANT**

Nothing contained herein shall be deemed to create a trust of any kind or create any fiduciary relationship. If funds related to a Deferred Compensation Account are segregated or invested, they shall be and continue to be a part of the general assets of Apogee, subject to the claims of its general creditors. No person, other than Participant (or the Participant's beneficiaries in the event of death) shall have any claim against Apogee by virtue of the provisions of this Plan. The rights of Participant (or the Participant's beneficiaries in the event of death) to receive payments from Apogee under this Plan are and shall be no greater than the right of any unsecured general creditor of Apogee.

## **SECTION 6**

### **DESIGNATION OF BENEFICIARIES**

**6.1. Right to Designate.** Each Participant may designate, upon forms to be furnished by and filed with the Plan Administrator, one or more primary Beneficiaries or alternative Beneficiaries to receive all or a specified part of such Participant's Account in the event of such Participant's death. The Participant may change or revoke any such designation from time to time without notice to or consent from any Beneficiary. No such designation, change or revocation shall be effective unless executed by the Participant and received by the Plan Administrator during the Participant's lifetime.

**6.2. Failure of Designation.** If a Participant:

- (a) fails to designate a Beneficiary,
- (b) designates a Beneficiary and thereafter revokes such designation without naming another Beneficiary, or

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(c) designates one or more Beneficiaries and all such Beneficiaries so designated fail to survive the Participant, such Participant's Account, or the part thereof as to which such Participant's designation fails, as the case may be, shall be payable to the first class of the following classes of automatic Beneficiaries with a member surviving the Participant and (except in the case of surviving issue) in equal shares if there is more than one member in such class surviving the Participant:

- Participant's surviving spouse
- Participant's surviving issue per stirpes and not per capita
- Participant's surviving parents
- Participant's surviving brothers and sisters
- Representative of Participant's estate.

**6.3. Disclaimers by Beneficiaries.** A Beneficiary entitled to a distribution of all or a portion of a deceased Participant's Account may disclaim an interest therein subject to the following requirements. To be eligible to disclaim, a Beneficiary must be a natural person, must not have received a distribution of all or any portion of the Account at the time such disclaimer is executed and delivered, and must have attained at least age twenty-one (21) years as of the date of the Participant's death. Any disclaimer must be in writing and must be executed personally by the Beneficiary before a notary public. A disclaimer shall state that the Beneficiary's entire interest in the undistributed Account is disclaimed or shall specify what portion thereof is disclaimed. To be effective, duplicate original executed copies of the disclaimer must be both executed and actually delivered to the Plan Administrator after the date of the Participant's death but not later than one hundred eighty (180) days after the date of the Participant's death. A disclaimer shall be irrevocable when delivered to the Plan Administrator. A disclaimer shall be considered to be delivered to the Plan Administrator only when actually received by the Plan Administrator. The Plan Administrator shall be the sole judge of the content, interpretation and validity of a purported disclaimer. Upon the filing of a valid disclaimer, the Beneficiary shall be considered not to have survived the Participant as to the interest disclaimed. A disclaimer by a Beneficiary shall not be considered to be a transfer of an interest in violation of the provisions of Section 5 and shall not be considered to be an assignment or alienation of benefits in violation of federal law prohibiting the assignment or alienation of benefits under this Plan. No other form of attempted disclaimer shall be recognized by the Plan Administrator.

**6.4. Definitions.** When used herein and, unless the Participant has otherwise specified in the Participant's Beneficiary designation, when used in a Beneficiary designation, "issue" means all persons who are lineal descendants of the person whose issue are referred to, including legally adopted descendants and their descendants but not including illegitimate descendants and their descendants; "child" means an issue of the first generation; "per stirpes" means in equal shares among living children of the person whose issue are referred to and the issue (taken collectively) of each deceased child of such person, with such issue taking by right of representation of such deceased child; and "survive" and "surviving" mean living after the death of the Participant.

**6.5. Special Rules.** Unless the Participant has otherwise specified in the Participant's Beneficiary designation, the following rules shall apply:

- (a) If there is not sufficient evidence that a Beneficiary was living at the time of the death of the Participant, it shall be deemed that the Beneficiary was not living at the time of the death of the Participant.

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- (b) The automatic Beneficiaries specified in Section 6.2 and the Beneficiaries designated by the Participant shall become fixed at the time of the Participant's death so that, if a Beneficiary survives the Participant but dies before the receipt of all payments due such Beneficiary hereunder, such remaining payments shall be payable to the representative of such Beneficiary's estate.
  - (c) If the Participant designates as a Beneficiary the person who is the Participant's spouse on the date of the designation, either by name or by relationship, or both, the dissolution, annulment or other legal termination of the marriage between the Participant and such person shall automatically revoke such designation. (The foregoing shall not prevent the Participant from designating a former spouse as a Beneficiary on a form executed by the Participant and received by the Plan Administrator after the date of the legal termination of the marriage between the Participant and such former spouse, and during the Participant's lifetime.)
  - (d) Any designation of a nonspouse Beneficiary by name that is accompanied by a description of relationship to the Participant shall be given effect without regard to whether the relationship to the Participant exists either then or at the Participant's death.
  - (e) Any designation of a Beneficiary only by statement of relationship to the Participant shall be effective only to designate the person or persons standing in such relationship to the Participant at the Participant's death.

A Beneficiary designation is permanently void if it either is executed or is filed by a Participant who, at the time of such execution or filing, is then a minor under the law of the state of the Participant's legal residence. The Plan Administrator shall be the sole judge of the content, interpretation and validity of a purported Beneficiary designation.

**6.6. No Spousal Rights.** Prior to the death of the Participant, no spouse or surviving spouse of a Participant and no person designated to be a Beneficiary shall have any rights or interest in the benefits credited under this Plan including, but not limited to, the right to be the sole Beneficiary or to consent to the designation of Beneficiaries (or the changing of designated Beneficiaries) by the Participant.

**6.7. Death Prior to Full Distribution.** If, at the death of the Participant, any payment to the Participant was due or otherwise pending but not actually paid, the amount of such payment shall be included in the Account which are payable to the Beneficiary (and shall not be paid to the Participant's estate).

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**6.8. Facility of Payment.** In case of the legal disability, including minority, of a Participant or Beneficiary entitled to receive any distribution under this Plan, payment shall be made, if the Plan Administrator shall be advised of the existence of such condition:

- (a) to the duly appointed guardian, conservator or other legal representative of such Participant or Beneficiary, or
- (b) to a person or institution entrusted with the care or maintenance of the incompetent or disabled Participant or Beneficiary, provided such person or institution has satisfied the Plan Administrator that the payment will be used for the best interest and assist in the care of such Participant or Beneficiary, and provided further, that no prior claim for said payment has been made by a duly appointed guardian, conservator or other legal representative of such Participant or Beneficiary.

Any payment made in accordance with the foregoing provisions of this section shall constitute a complete discharge of any liability or obligation of the Plan Administrator therefor.

## **SECTION 7**

### **GENERAL MATTERS**

#### **7.1. Amendment and Termination.**

**7.1.1. Before a Change in Control.** Prior to the occurrence of a Change in Control, the Committee may unilaterally amend the Plan Statement prospectively, retroactively or both, at any time and for any reason deemed sufficient by it without notice to any person affected by this Plan and may likewise terminate this Plan both with regard to persons expecting to receive benefits in the future; provided, however, that:

- (a) the benefit, if any, payable to or with respect to a Participant who has had a Termination of Employment as of the effective date of such amendment or the effective date of such termination shall not be, without the written consent of the Participant, diminished by such amendment or termination, and
- (b) the benefit, if any, payable to or with respect to each other Participant determined as if such Participant had a Termination of Employment on the effective date of such amendment or the effective date of such termination shall not be, without the written consent of the Participant, diminished by such amendment or termination.

#### **7.1.2. After a Change in Control.**

- (a) **Existing Participants.** After the occurrence of a Change in Control, the Committee may only amend the Plan Statement or terminate this Plan as applied to Participants who are Participants on the date of the Change in Control if:
  - (i) all benefits payable to or with respect to persons who were Participants as of the Change in Control (including benefits earned before and benefits earned after the Change in Control) have been paid in full, or

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(ii) eighty percent (80%) of all the Participants determined as of the date of the Change in Control give knowing and voluntary written consent to such amendment or termination.

(b) **New Participants.** After the occurrence of a Change in Control, as applied to Participants who are not Participants on the date of the Change in Control, the Committee may unilaterally amend the Plan Statement prospectively, retroactively or both, at any time and for any reason deemed sufficient by it without notice to any person affected by this Plan and may likewise terminate this Plan.

7.1.3. **No Oral Amendments.** No modification of the terms of the Plan Statement or termination of the Plan shall be effective unless it is in writing and signed on behalf of the Committee by a person authorized to execute such writing. No oral representation concerning the interpretation or effect of the Plan Statement shall be effective to amend the Plan Statement.

7.1.4. **No Amendment to Section 5.** No amendment may be made to Section 5 of the Plan Statement.

7.1.5. **Plan Binding on Successors.** Apogee will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of Apogee), by agreement, to expressly assume and agree to perform this Plan in the same manner and to the same extent that Apogee would be required to perform it if no such succession had taken place.

7.1.6. **Termination.** Following a termination of the Plan, Deferred Compensation Accounts shall remain in the Plan until the Participant becomes eligible for the benefits provided in Section 4. The termination of the Plan shall not adversely affect any Participant or Beneficiary who has become entitled to the payment of any benefits under the Plan as of the date of termination. Notwithstanding the foregoing, to the extent permissible under section 409A of the Internal Revenue Code and related Treasury regulations and guidance, if there is a termination of the Plan with respect to all Participants, the Committee shall have the right, in its sole discretion, and notwithstanding any elections made by the Participant, to immediately pay all benefits in a lump sum following such termination of the Plan.

7.2. **ERISA Administrator.** Apogee shall be the plan administrator of this Plan.

7.3. **Service of Process.** In the absence of any designation to the contrary by Apogee, the Secretary of Apogee is designated as the appropriate and exclusive agent for the receipt of service of process directed to this Plan in any legal proceeding, including arbitration, involving this Plan.

**7.4. Administrative Determinations.** The Committee shall make such determinations as may be required from time to time in the administration of this Plan. The Committee shall have the discretionary authority and responsibility to interpret and construe the Plan Statement and to determine all factual and legal questions under this Plan, including but not limited to the entitlement of Participants and others, and the amounts of their respective interests. Each interested party may act and rely upon all information reported to them hereunder and need not inquire into the accuracy thereof, nor be charged with any notice to the contrary.

**7.5. Rules and Regulations.** Any rule not in conflict or at variance with the provisions hereof may be adopted by the Committee.

**7.6. Certifications.** Information to be supplied or written notices to be made or consents to be given by the Committee pursuant to any provision of the Plan Statement may be signed in the name of the Committee by any member who has been authorized to make such certification or to give such notices or consents.

**7.7. Errors in Computations.** Apogee nor the Committee shall not be liable or responsible for any error in the computation of any benefit payable to or with respect to any Participant resulting from any misstatement of fact made by the Participant or by or on behalf of any survivor to whom such benefit shall be payable, directly or indirectly, to Apogee, and used by the Apogee in determining the benefit. Apogee shall not be obligated or required to increase the benefit payable to or with respect to such Participant which, on discovery of the misstatement, is found to be understated as a result of such misstatement of the Participant. However, the benefit of any Participant which is overstated by reason of any such misstatement or any other reason shall be reduced to the amount appropriate in view of the truth (and to recover any prior overpayment by offset or other legal process).

## **SECTION 8**

### **CLAIMS PROCEDURE**

Without limiting the generality of the following, an application for benefits under Section 3 shall be processed as a claim for the purposes of this section.

**8.1. Original Claim.** Any person may file with the Committee a written claim for benefits under this Plan. Within ninety (90) days after the filing of such a claim, the Committee shall notify the claimant in writing whether his or her claim is upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred eighty days from the date the claim was filed) to reach a decision on the claim. If the claim is denied in whole or in part, the Committee shall state in writing:

- (a) the specific reasons for the denial;
- (b) the specific references to the pertinent provisions of the Plan Statement on which the denial is based;



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- (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
  - (d) an explanation of the claims review procedure set forth in this section.

**8.2. Claims Review Procedure.** Within sixty (60) days after receipt of notice that his or her claim has been denied in whole or in part, the claimant may file with the Committee a written request for a review and may, in conjunction therewith, submit written issues and comments. Within sixty (60) days after the filing of such a request for review, the Committee shall notify the claimant in writing whether, upon review, the claim was upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred twenty days from the date the request for review was filed) to reach a decision on the request for review.

**8.3. General Rules.**

- (a) No inquiry or question shall be deemed to be a claim or a request for a review of a denied claim unless made in accordance with the claims procedure. The Committee may require that any claim for benefits and any request for a review of a denied claim be filed on forms to be furnished by the Committee upon request.
- (b) All decision on claims and on requests for a review of denied claims shall be made by the Committee.
- (c) The Committee may, in its discretion, hold one or more hearings on a claim or a request for a review of a denied claim.
- (d) Claimants may be represented by a lawyer or other representative (at their own expense), but the Committee reserves the right to require the claimant to furnish written authorization. A claimant's representative shall be entitled to receive copies of notices sent to the claimant.
- (e) The decision of the Committee on a claim and on a request for a review of a denied claim shall be served on the claimant in writing. If a decision or notice is not received by a claimant within the time specified, the claim or request for a review of a denied claim shall be deemed to have been denied.
- (f) Prior to filing a claim or a request for a review of a denied claim, the claimant or his or her representative shall have a reasonable opportunity to review a copy of the Plan Statement and all other pertinent documents in the possession of Apogee.
- (g) The Committee may permanently or temporarily delegate all or a portion of its authority and responsibility under this Section to a another committee or to an individual.

- (h) The procedures and remedies herein are not exclusive. Subsequent to a Change in Control, a Participant or surviving spouse of a Participant shall not be required to exhaust these administrative remedies. If there is litigation regarding the benefits payable to or with respect to a Participant, then notwithstanding Section 7.4, determinations made by the Committee subsequent to a Change in Control (even if such determinations relate to events occurring wholly or partially before the Change in Control) shall not be afforded any deference and the matter shall be heard *de novo*.
- (i) If any Participant successfully litigates, in whole or in part, any claim for benefits under this Plan, the court shall award reasonable attorney's fees and costs of the action to the Participant.

## SECTION 9

### CONSTRUCTION

9.1. **ERISA Status.** This Plan is adopted with the understanding that it is an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as provided in section 201(2), section 301(3) and section 401(a)(1) of ERISA. Each provision shall be interpreted and administered accordingly.

9.2. **IRC Status.** This Plan is intended to be a nonqualified deferred compensation arrangement. The rules of section 401(a) *et. seq.* of the Code shall not apply to this Plan. The rules of section 3121(v) and section 3306(r)(2) of the Code shall apply to this Plan. The rules of section 409A of the Code shall apply to this Plan to the extent applicable and this Plan Statement shall be construed and administered accordingly. Apogee has affirmatively determined that all amounts deferred under the Plan that were earned and vested before January 1, 2005, shall not be subject to section 409A of the Code (i.e., will be "grandfathered" under the law as it existed before section 409A of the Code) and this Plan Statement shall be construed and administered accordingly. Notwithstanding the foregoing, neither Apogee nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any Participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the Participant or other person on account of any amounts under this Plan or on account of any failure to comply with any Code section.

9.3. **Disqualification.** Notwithstanding any other provision of the Plan Statement or any election or designation made under this Plan, any individual who feloniously and intentionally kills a Participant shall be deemed for all purposes of this Plan and all elections and designations made under this Plan to have died before such Participant. A final judgment of conviction of felonious and intentional killing is conclusive for this purpose. In the absence of a conviction of felonious and intentional killing, Apogee shall determine whether the killing was felonious and intentional for this purpose.

9.4. **Rules of Document Construction.** Whenever appropriate, words used herein in the singular may be read in the plural, or words used herein in the plural may be read in the singular; the masculine may include the feminine; and the words "hereof," "herein" or "hereunder" or other

similar compounds of the word “here” shall mean and refer to the entire Plan Statement and not to any particular paragraph or Sections of the Plan Statement unless the context clearly indicates to the contrary. The titles given to the various Sections of the Plan Statement are inserted for convenience of reference only and are not part of the Plan Statement, and they shall not be considered in determining the purpose, meaning or intent of any provision hereof. Notwithstanding any thing apparently to the contrary contained in the Plan Statement, the Plan Statement shall be construed and administered to prevent the duplication of benefits provided under this Plan and any other qualified or nonqualified plan maintained in whole or in part by Apogee.

**9.5. References to Laws.** Any reference in the Plan Statement to a statute or regulation shall be considered also to mean and refer to any subsequent amendment or replacement of that statute or regulation.

**9.6. Effect on Employment.** Neither the terms of the Plan Statement nor the benefits under this Plan nor the continuance thereof shall be a term of the employment of any employee. Apogee shall not be obliged to continue this Plan. The terms of this Plan shall not give any employee the right to be retained in the employment of any employer.

**9.7. Choice of Law.** This instrument has been executed and delivered in the State of Minnesota and has been drawn in conformity to the laws of that State and shall, except to the extent that federal law is controlling, be construed and enforced in accordance with the laws of the State of Minnesota.

**9.8. Delegation.** No person shall be liable for an act or omission of another person with regard to a responsibility that has been allocated to or delegated to such other person pursuant to the terms of the Plan Statement or pursuant to procedures set forth in the Plan Statement.

**9.9. Not an Employment Contract.** This Plan is not and shall not be deemed to constitute a contract of employment between any Employer and any employee or other person, nor shall anything herein contained be deemed to give any employee or other person any right to be retained in any Employer’s employ or in any way limit or restrict any Employer’s right or power to discharge any employee or other person at any time and to treat him without regard to the effect which such treatment might have upon him as a Participant in this Plan.

**9.10. Tax Withholding.** The Employers (or any other person legally obligated to do so) shall withhold the amount of any federal, state or local income tax, payroll tax or other tax required to be withheld under applicable law with respect to any amount payable under this Plan. All benefits otherwise due hereunder shall be reduced by the amount to be withheld.

**9.11. Expenses.** All expenses of administering the benefits due under this Plan shall be borne by the Employers.

**9.12. Spendthrift Provision.** No Participant or Beneficiary shall have any interest in any Account which can be transferred nor shall any Participant or Beneficiary have any power to anticipate, alienate, dispose of, pledge or encumber the same while in the possession or control of the Employers. The Plan Administrator shall not recognize any such effort to convey any interest under this Plan. No benefit payable under this Plan shall be subject to attachment, garnishment, execution following judgment or other legal process before actual payment to such person.

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The power to designate Beneficiaries to receive the Account of a Participant in the event of such Participant's death shall not permit or be construed to permit such power or right to be exercised by the Participant so as thereby to anticipate, pledge, mortgage or encumber such Participant's Account or any part thereof, and any attempt of a Participant so to exercise said power in violation of this provision shall be of no force and effect and shall be disregarded by the Employers.

This section shall not prevent the Plan Administrator from exercising, in its discretion, any of the applicable powers and options granted to it upon the occurrence of a Separation From Service, as such powers may be conferred upon it by any applicable provision hereof.

**9.13. Certifications.** Information to be supplied or written notices to be made or consents to be given by the Plan Administrator pursuant to any provision of this Plan may be signed in the name of the Plan Administrator by any officer who has been authorized to make such certification or to give such notices or consents.

**9.14. Errors in Computations.** Participants shall be obligated to furnish such information (including but not limited to current mailing addresses, social security numbers, marital status, dates of birth and the like) as the Plan Administrator may from time to time require for the effective and efficient administration of this Plan. The Plan Administrator shall not be liable or responsible for any error in the computation of any benefit payable to or with respect to any Participant resulting from any misstatement of fact made by the Participant or by or on behalf of any survivor to whom such benefit shall be payable, directly or indirectly, to the Plan Administrator, and used by the Plan Administrator in determining the benefit. The Plan Administrator shall not be obligated or required to increase the benefit payable to or with respect to such Participant which, on discovery of the misstatement, is found to be understated as a result of such misstatement of the Participant. However, the benefit of any Participant which is overstated by reason of any such misstatement or any other reason shall be reduced to the amount appropriate in view of the truth (and to recover any prior overpayment).

Dated: October 13, 2006

APOGEE ENTERPRISES, INC.

By /s/ Russell Huffer  
Its Chairman and Chief Executive Officer

**APOGEE ENTERPRISES, INC.  
DEFERRED COMPENSATION PLAN  
FOR NON-EMPLOYEE DIRECTORS  
(2005 Restatement)**

(Amended and Restated Effective as of January 1, 2005)

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**APOGEE ENTERPRISES, INC.  
DEFERRED COMPENSATION PLAN  
FOR NON-EMPLOYEE DIRECTORS  
(2005 Restatement)**

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**APOGEE ENTERPRISES, INC.  
DEFERRED COMPENSATION PLAN  
FOR NON-EMPLOYEE DIRECTORS  
(2005 Restatement)**

**SECTION 1**

**ESTABLISHMENT AND PURPOSE**

1.1. **Establishment.** Apogee Enterprises, Inc., a Minnesota corporation, together with any and all subsidiaries established effective as of January 31, 1998, a deferred compensation plan for the non-employee members of its Board which shall be known as the Deferred Compensation Plan for Non-Employee Directors (hereinafter called the “Plan”). Apogee reserved to itself, by action of the Compensation Committee of the Board of Directors, to amend this Plan and has done so on prior occasions. By the adoption of this 2005 Restatement, Apogee does hereby completely amend and restate the terms of the Plan in this Plan Statement.

1.2. **Purpose.** The purpose of this Plan is to provide a means whereby amounts payable by the Company to its Non-Employee Directors for services as a member of the Company’s Board may be deferred to some future period. It is also the purpose of this Plan to motivate such Non-Employee Directors to continue to make contributions to the growth and profits of the Company and to increase their ownership of shares of Common Stock, and thereby align their interests in the long-term success of the Company with that of the other shareholders. This will be accomplished by allowing each Participating Director to elect voluntarily to receive all or a portion of his or her retainer and fees in the form of shares of deferred Common Stock pursuant to an irrevocable election made under this Plan.

**SECTION 2**

**DEFINITIONS**

2.1. **Definitions.** When the following terms are used herein with initial capital letters, they shall have the following meanings:

2.1.1. **Board** — the Board of Directors of the Company.

2.1.2. **Committee** — the Compensation Committee of the Board, which Committee is composed solely of two or more Non-Employee Directors (as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended).

2.1.3. **Common Stock** — the common stock, par value \$0.33 1/3 per share, of Apogee Enterprises, Inc.

2.1.4. **Company** — Apogee Enterprises, Inc., a Minnesota corporation, together with all its subsidiaries.

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- 2.1.5. **Deferral Election Form** — the irrevocable election to defer the receipt of Fees and Retainer as provided for in Section 4.3 of this Plan.
- 2.1.6. **Deferred Payment Form** — the irrevocable payment election of the Participant's Deferred Stock Account.
- 2.1.7. **Deferred Stock Account** — the account established pursuant to Section 4.2 of this Plan.
- 2.1.8. **Election Amount** — the amount of the Retainer and Fees the Participating Director elects to defer as set forth in Section 4.1 of this Plan.
- 2.1.9. **Eligible Director** — any Non-Employee Director of the Company as set forth in Section 3 of this Plan.
- 2.1.10. **Fair Market Value** — the value as set forth in Section 4.5 of this Plan.
- 2.1.11. **Fees** — the amount payable to a Director for attendance at Board meetings or meetings of committees of the Board.
- 2.1.12. **Incentive Amount** — 10% of the Election Amount that is designated an added benefit given to Participating Directors from the Company as set forth in Section 4.1 of this Plan.
- 2.1.13. **Maturity Date** — the date set forth in Section 6.1 of this Plan.
- 2.1.14. **Non-Employee Director** — an individual who is a member of the Board but who is not an employee of the Company or any of its subsidiaries.
- 2.1.15. **Participant** — a person who is a Non-Employee Director who has elected to defer such fees and retainers under this Plan, or a person who, prior to the time of Termination from Board had elected to defer such compensation under this Plan and who retains, or whose beneficiaries retain, benefits under the Plan and in accordance with its terms.
- 2.1.16. **Participating Director** — has the meaning set forth in Section 4.1.
- 2.1.17. **Plan** — this Deferred Compensation Plan, as it may be amended from time to time.
- 2.1.18. **Plan Year** — the 12-month period beginning January 1 and ending December 31. There was a short Plan Year from July 1-December 31, 2005. Plan Years prior to July 1, 2005, began on July 1 and ended June 30 of each year.
- 2.1.19. **Retainer** — the annual amount payable to a Director for services rendered as a Director.
- 2.1.20. **Stock Deferral Election** — the election made pursuant to Section 4.1 of this Plan.

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2.1.21. **Termination from Board** — a Participant's membership on the Board terminates under any circumstances. However when the term "Termination from Board" is used in the Plan Statement in connection with Post 2004 Account, it shall be construed to have the same meaning consistent with the term "Separation from Service" as used in section 409A of the Code.

2.2. **Gender and Number.** Except when otherwise indicated by the context, any masculine terminology when used in the Plan shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

### SECTION 3

#### ELIGIBILITY FOR PARTICIPATION

Any Non-Employee Director of the Company shall be eligible to participate in this Plan (an "Eligible Director"). In the event a Participant no longer meets the requirements for participation in this Plan, the Participant shall become an inactive Participant, retaining all the rights described under this Plan, except the right to make any further deferrals, until the time that the Participant again becomes an active Participant or receives a complete distribution of the Participant's Deferred Stock Account.

### SECTION 4

#### ELECTION TO DEFER RECEIPT OF RETAINER AND FEES

4.1. **Election to Receive Common Stock at a Later Date in Lieu of Cash.** On forms provided by the Company, each Eligible Director who decides to participate may irrevocably elect to defer receipt of cash equal to 25%, 50%, 75% or 100% of the sum of the annual Retainer and any Fees. The amounts to be deferred will be in the form of a Common Stock credit to the Participating Director's Deferred Stock Account, as set forth in Section 4.2 hereof, for the amount of the Retainer and Fees the Participating Director elects to defer plus an amount equal to 10% of the Election Amount designated as an incentive benefit given to Participating Directors from the Company. The Stock Deferral Election shall be made pursuant to Section 4.3. Any Stock Deferral Election may only be amended or revoked for a subsequent Plan Year, by completing a new Deferral Election Form and filing it with the Company prior to the beginning of such Plan Year as provided in Section 4.3.

4.2. **Credits to Deferred Stock Account.** Credits to each Participant's Deferred Stock Account shall be made quarterly as of the last business day of each calendar quarter. The amount credited for each quarter shall include the Fees earned by the Participating Director for meetings attended during the calendar quarter and 25% of the amount of the annual Retainer for the applicable Plan Year for which the Participating Director chose to defer receipt of cash, plus the Incentive Amount described in Section 4.1. The credit to the Deferred Stock Account shall be in the form of stock units in a number equal to the number of shares of Common Stock

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having a Fair Market Value, as defined in Section 4.5, equal to the amount of the Retainer and Fees so elected for deferral for the applicable quarter plus the Incentive Amount. Amounts credited to the Deferred Stock Accounts shall be rounded to the nearest one-hundredth share. In the event that a Participating Director elects to defer less than 100% of the Retainer and Fees in shares of Common Stock, he shall receive the balance of the payment in cash.

**4.3. Manner of Making Deferral Election.** A Participating Director may elect to defer payment of the Retainer and payment of Fees pursuant to this Plan by filing, at any time prior to the beginning of a Plan Year (or by such earlier date as the Administrative Committee shall determine), an irrevocable election with the Company on a form provided for that purpose, except that any person who is first elected to the Board after the beginning of a Plan Year may make a Stock Deferral Election for that Plan Year within thirty (30) days of becoming eligible to participate in this Plan. The Deferral Election Form shall specify an amount to be deferred expressed as a percentage of the Participating Director's Retainer and Fees. In all circumstances, the first credit to a Participant's Deferred Stock Account will only include the Retainer and Fees for services performed after the effective date of the Deferral Election Form.

**4.4. Dividend Credit.** Each time a cash dividend is paid on the Common Stock of the Company, the Participating Director shall receive a credit of stock units to Participating Director's Deferred Stock Account as of the last business day of the calendar quarter in which the dividend was paid. The number of stock units credited shall be the number equal to that number of shares of Common Stock (rounded to the nearest one-hundredth of a share) having a Fair Market Value, as defined in Section 4.5, on the last business day of the applicable calendar quarter equal to the amount of the dividend that would have been payable on the number of shares of Common Stock equal to the number of stock units credited to the Participating Director's Deferred Stock Account on the dividend record date.

**4.5. Fair Market Value.** For purposes of converting dollar amounts into shares of Common Stock, the Fair Market Value of each share of Common Stock shall be equal to the closing price of one share of the Common Stock on the Nasdaq Stock Market (or other exchange on which the shares of Common Stock are then listed and primarily traded) on the applicable crediting date or payment date.

**4.6. Termination of Service as a Director.** If a Participating Director leaves the Board before the conclusion of any calendar quarter, the Participating Director will be paid the quarterly installment of the Retainer and Fees entirely in cash, notwithstanding that a Stock Deferral Election made by such Participating Director is on file with the Company. The date of termination of a Participating Director's service as a Director of the Company will be deemed to be the date of termination recorded on the personnel or other records of the Company.

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## SECTION 5

### SHARES AVAILABLE FOR ISSUANCE

5.1. **Maximum Number of Shares Available.** The maximum number of shares of Common Stock that will be available for issuance under this Plan will be 200,000 shares, subject to any adjustments made in accordance with the provisions of Section 5.2. The shares of Common Stock available for issuance under this Plan shall be authorized but unissued shares.

5.2. **Adjustments to Shares.** In the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture or extraordinary dividend, an appropriate adjustment will be made in the number and/or kind of securities available for issuance under this Plan to prevent either the dilution or the enlargement of the rights of the Eligible Directors and Participating Directors.

## SECTION 6

### DEFERRAL PAYMENT AND ISSUANCE OF COMMON STOCK

6.1. **Maturity of Deferred Stock Account.** A Participant's account shall become payable to (or with respect to) a Participant upon the earliest of, or upon the occurrence of, one of the following events (the "Maturity Date"), as elected by the Participant in the Deferral Election Form:

- (a) The Participant's Termination from Board,
- (b) A date selected by the Participant,
- (c) The Participant reaches seventy (70) years of age, or
- (d) The Participant's death.

6.2. **Form of Deferral Payment.** At the time of making the Stock Deferral Election, each Participating Director shall also complete a deferral payment election specifying one of the payment options described in Sections 6.3 and 6.4, and an election pursuant to Section 6.1 for the Maturity Date. The deferral payment election shall be irrevocable as to all amounts credited to the Participating Director's Deferred Stock Account. The Participating Director may change the deferral payment election by completing a Deferred Payment Form and filing it with the Company, such change will only apply to deferrals credited in a subsequent Plan Year.

6.3. **Payment of Deferred Stock Accounts in a Lump Sum.** Unless a Participating Director elects to receive payment of the Participating Director's Deferred Stock Account in installments as described in Section 6.4, credits to a Participating Director's Deferred Stock Account shall be payable in full on the first business day of the calendar year following the Maturity Date. If the provisions of Section 7 become applicable and a Participating Director's designated beneficiary or beneficiaries are entitled to receive payment, such distributions shall,

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in all cases, be made in a lump sum in accordance with this Section and not Section 6.4 of this Plan. All payments shall be made in shares of Common Stock, with one share of Common Stock issued for each stock unit credited to the Participating Director's Deferred Stock Account, plus cash in lieu of any fractional share.

**6.4. Payment of Deferred Stock Accounts in Installments.** A Participating Director may elect to have the Participating Director's Deferred Stock Account paid in annual installments following the Maturity Date. All payments shall be made in shares of Common Stock, with one share of Common Stock issued for each stock unit credited to the Participating Director's Deferred Stock Account, plus cash in lieu of any fractional share. All installment payments shall be made annually beginning on the first business day of the calendar year following the Maturity Date, with subsequent installments paid on the first business day of each subsequent calendar year. The amount of each installment payment shall be computed as the number of stock units credited to the Participating Director's Deferred Stock Account on the relevant installment payment date, multiplied by a fraction, the numerator of which is one and the denominator of which is the total number of installments elected (not to exceed 10) minus the number of installments previously paid. Amounts paid prior to the final installment payment shall be rounded to the nearest whole number of shares; the final installment payment shall be for the whole number of stock units then credited to the Participating Director's Deferred Stock Account, together with cash in lieu of any fractional share.

**6.5. Payment of Deferred Stock Accounts – Change of Control.** Notwithstanding Sections 6.3 and 6.4, in the event of a Change of Control (as defined in Section 12), credits to a Participating Director's Deferred Stock Account immediately prior to the effective time of the transaction constituting the Change of Control shall be paid in full to the Participating Director or the Participating Director's beneficiary or estate, as the case may be, either in whole shares of Common Stock (together with cash in lieu of a fractional share) or, if the holders of Common Stock generally are to receive other consideration in such Change of Control transaction, in the consideration per share of Common Stock to be received by such holders of Common Stock, in either case, on the business day immediately after the effective date of the transaction.

## **SECTION 7**

### **DESIGNATION OF BENEFICIARIES**

**7.1. Right to Designate.** Each Participant may designate, upon forms to be furnished by and filed with the Plan Administrator, one or more primary Beneficiaries or alternative Beneficiaries to receive all or a specified part of such Participant's Deferred Stock Account in the event of such Participant's death. The Participant may change or revoke any such designation from time to time without notice to or consent from any Beneficiary. No such designation, change or revocation shall be effective unless executed by the Participant and received by the Company during the Participant's lifetime.

**7.2. Failure of Designation.** If a Participant:

- (a) fails to designate a Beneficiary,

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- (b) designates a Beneficiary and thereafter revokes such designation without naming another Beneficiary, or
  - (c) designates one or more Beneficiaries and all such Beneficiaries so designated fail to survive the Participant,

such Participant's Deferred Stock Account, or the part thereof as to which such Participant's designation fails, as the case may be, shall be payable to the first class of the following classes of automatic Beneficiaries with a member surviving the Participant and (except in the case of surviving issue) in equal shares if there is more than one member in such class surviving the Participant:

- Participant's surviving spouse
- Participant's surviving issue per stirpes and not per capita
- Participant's surviving parents
- Participant's surviving brothers and sisters
- Representative of Participant's estate.

**7.3. Disclaimers by Beneficiaries.** A Beneficiary entitled to a distribution of all or a portion of a deceased Participant's Deferred Stock Account may disclaim an interest therein subject to the following requirements. To be eligible to disclaim, a Beneficiary must be a natural person, must not have received a distribution of all or any portion of the Deferred Stock Account at the time such disclaimer is executed and delivered, and must have attained at least age twenty-one (21) years as of the date of the Participant's death. Any disclaimer must be in writing and must be executed personally by the Beneficiary before a notary public. A disclaimer shall state that the Beneficiary's entire interest in the undistributed Deferred Stock Account is disclaimed or shall specify what portion thereof is disclaimed. To be effective, duplicate original executed copies of the disclaimer must be both executed and actually delivered to the Company after the date of the Participant's death but not later than one hundred eighty (180) days after the date of the Participant's death. A disclaimer shall be irrevocable when delivered to the Company. A disclaimer shall be considered to be delivered to the Company only when actually received by the Company. The Company shall be the sole judge of the content, interpretation and validity of a purported disclaimer. Upon the filing of a valid disclaimer, the Beneficiary shall be considered not to have survived the Participant as to the interest disclaimed. A disclaimer by a Beneficiary shall not be considered to be a transfer of an interest in violation of the provisions of Section 8 and shall not be considered to be an assignment or alienation of benefits in violation of federal law prohibiting the assignment or alienation of benefits under this Plan. No other form of attempted disclaimer shall be recognized by the Company.

**7.4. Definitions.** When used herein and, unless the Participant has otherwise specified in the Participant's Beneficiary designation, when used in a Beneficiary designation, "issue" means all persons who are lineal descendants of the person whose issue are referred to, including legally adopted descendants and their descendants but not including illegitimate descendants and their descendants; "child" means an issue of the first generation; "per stirpes" means in equal shares among living children of the person whose issue are referred to and the issue (taken collectively) of each deceased child of such person, with such issue taking by right of representation of such deceased child; and "survive" and "surviving" mean living after the death of the Participant.

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**7.5. Special Rules.** Unless the Participant has otherwise specified in the Participant's Beneficiary designation, the following rules shall apply:

- (a) If there is not sufficient evidence that a Beneficiary was living at the time of the death of the Participant, it shall be deemed that the Beneficiary was not living at the time of the death of the Participant.
- (b) The automatic Beneficiaries specified in Section 7.2 and the Beneficiaries designated by the Participant shall become fixed at the time of the Participant's death so that, if a Beneficiary survives the Participant but dies before the receipt of all payments due such Beneficiary hereunder, such remaining payments shall be payable to the representative of such Beneficiary's estate.
- (c) If the Participant designates as a Beneficiary the person who is the Participant's spouse on the date of the designation, either by name or by relationship, or both, the dissolution, annulment or other legal termination of the marriage between the Participant and such person shall automatically revoke such designation. (The foregoing shall not prevent the Participant from designating a former spouse as a Beneficiary on a form executed by the Participant and received by the Plan Administrator after the date of the legal termination of the marriage between the Participant and such former spouse, and during the Participant's lifetime.)
- (d) Any designation of a nonspouse Beneficiary by name that is accompanied by a description of relationship to the Participant shall be given effect without regard to whether the relationship to the Participant exists either then or at the Participant's death.
- (e) Any designation of a Beneficiary only by statement of relationship to the Participant shall be effective only to designate the person or persons standing in such relationship to the Participant at the Participant's death.

A Beneficiary designation is permanently void if it either is executed or is filed by a Participant who, at the time of such execution or filing, is then a minor under the law of the state of the Participant's legal residence. The Company shall be the sole judge of the content, interpretation and validity of a purported Beneficiary designation.

**7.6. No Spousal Rights.** Prior to the death of the Participant, no spouse or surviving spouse of a Participant and no person designated to be a Beneficiary shall have any rights or interest in the benefits credited under this Plan including, but not limited to, the right to be the sole Beneficiary or to consent to the designation of Beneficiaries (or the changing of designated Beneficiaries) by the Participant.

**7.7. Death Prior to Full Distribution.** If, at the death of the Participant, any payment to the Participant was due or otherwise pending but not actually paid, the amount of such payment shall be included in the Deferred Stock Account which are payable to the Beneficiary (and shall not be paid to the Participant's estate).



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**7.8. Facility of Payment.** In case of the legal disability, including minority, of a Participant or Beneficiary entitled to receive any distribution under this Plan, payment shall be made, if the Company shall be advised of the existence of such condition:

- (a) to the duly appointed guardian, conservator or other legal representative of such Participant or Beneficiary, or
- (b) to a person or institution entrusted with the care or maintenance of the incompetent or disabled Participant or Beneficiary, provided such person or institution has satisfied the Company that the payment will be used for the best interest and assist in the care of such Participant or Beneficiary, and provided further, that no prior claim for said payment has been made by a duly appointed guardian, conservator or other legal representative of such Participant or Beneficiary.

Any payment made in accordance with the foregoing provisions of this section shall constitute a complete discharge of any liability or obligation of the Company therefor.

## **SECTION 8**

### **NONTRANSFERABILITY**

In no event shall the Company make any payment under this Plan to any assignee or creditor of a Participant or of a Beneficiary. Prior to the time of payment hereunder, a Participant or Beneficiary shall have no rights by way of anticipation or otherwise to assign or otherwise dispose of any interest under this Plan nor shall such rights be assigned or transferred by operation of the law.

## **SECTION 9**

### **LIMITATION ON RIGHTS OF ELIGIBLE DIRECTORS AND PARTICIPATING DIRECTORS**

**9.1. Service as a Director.** Nothing in this Plan will interfere with or limit in any way the right of the Board or the Company's shareholders to remove an Eligible Director or Participating Director from the Board. Neither this Plan nor any action taken pursuant to it will constitute or be evidence of any agreement or understanding, express or implied, that the Board or the Company's shareholders have retained or will retain an Eligible Director or Participating Director for any period of time or at any particular rate of compensation.

**9.2. Nonexclusivity of the Plan.** Nothing contained in this Plan is intended to effect, modify or rescind any of the Company's existing compensation plans or programs or to create any limitations on the Board's power or authority to modify or adopt compensation arrangements as the Board may from time to time deem necessary or desirable.

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## **SECTION 10**

### **PLAN AMENDMENT, MODIFICATION AND TERMINATION**

The Board may suspend or terminate this Plan at any time. The Board may amend this Plan from time to time in such respects as the Board may deem advisable in order that this Plan will conform to any change in applicable laws or regulations or in any other respect that the Board may deem to be in the Company's best interests; provided, however, that no amendments to this Plan will be effective without approval of the Company's shareholders, if shareholder approval of the amendment is then required pursuant to Rule 16b-3 (or any successor rule) promulgated under the Securities Exchange Act of 1934, as amended, or the rules of the Nasdaq Stock Market (or other exchange on which the shares of Common Stock are then listed and primarily traded). Following a termination of the Plan, Deferred Stock Accounts shall remain in the Plan until the Participant becomes eligible for the benefits under Section 6. The termination of the Plan shall not adversely affect any Participant or Beneficiary who has become entitled to the payment of any benefits under the Plan as of the date of termination. Notwithstanding the foregoing, to the extent permissible under section 409A of the Code and the related Treasury regulations and guidance, if there is a termination of the Plan with respect to all Participants, the Board shall have the right, in its sole discretion, and notwithstanding any elections made by the Participant, to immediately pay all benefits in a lump sum following such termination of the Plan.

## **SECTION 11**

### **PARTICIPANTS ARE GENERAL CREDITORS OF THE COMPANY**

The Participating Directors and Beneficiaries thereof shall be general unsecured creditors of the Company with respect to any payments to be made pursuant to this Plan and shall not have any preferred interest by way of trust, escrow, lien or otherwise in any specific assets of the Company. If the Company shall, in fact, elect to set aside monies or other assets to meet its obligations hereunder (there being no obligation to do so), whether in a grantor's trust or otherwise, the same shall, nevertheless, be regarded as a part of the general assets of the Company subject to the claims of its general creditors, and neither any Participating Director nor any Beneficiary thereof shall have a legal, beneficial or security interest therein.

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## SECTION 12

### CHANGE OF CONTROL

12.1. **Change of Control.** A “Change in Control” shall mean:

- (a) a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or successor provision thereto, whether or not the Company is then subject to such reporting requirement including, without limitation, any of the following events:
  - (i) the consummation of any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company’s Common Stock would be converted into cash, securities or other property, other than a merger of the Company in which the holders of the Company’s Common Stock immediately prior to the consolidation or merger have the same proportionate ownership of Common Stock of the surviving corporation immediately after the merger; or
  - (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company;
- (b) any “person” (as such term is used in sections 13(d) and 14(d) of the Exchange Act) is or becomes the “Beneficial Owner” (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company’s then outstanding securities;
- (c) the Continuing Directors (as defined in Section 12.2 hereof) cease to constitute a majority of the Company’s Board; or
- (d) the majority of the Continuing Directors determine in their sole and absolute discretion that there has been a change in control of the Company.

Notwithstanding the foregoing, none of the foregoing event(s) shall constitute a Change of Control unless such event(s) constitute a Change of Control as defined in section 409A of the Code, any regulations and other guidance in effect from time to time thereunder, including without limitation, Notice 2005-1.

12.2. **Continuing Director.** “Continuing Director” shall mean any person who is a member of the Board of the Company, who is not an Acquiring Person (as hereinafter defined) or an

Affiliate or Associate (as hereinafter defined) of an Acquiring Person, or a representative of an Acquiring Person or of any such Affiliate or Associate, and who (a) was a member of the Board on the date, as of which this Plan first became effective or (b) subsequently becomes a member of the Board, if such person's initial nomination for election or initial election to the Board is recommended or approved by a majority of the Continuing Directors. For purposes of this Section 12.2: "Acquiring Person" shall mean any "person" (as such term is used in sections 13(d) and 14(d) of the Exchange Act) who or which, together with all Affiliates and Associates of such person, is the Beneficial Owner of 10% or more of the shares of Common Stock of the Company then outstanding, but shall not include the Company, any subsidiary of the Company or any executive benefit plan of the Company or of any subsidiary of the Company or any entity holding shares of Common Stock organized, appointed or established for, or pursuant to the terms of, any such plan; and "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.

### SECTION 13

#### CLAIMS PROCEDURE

Without limiting the generality of the following, an application for benefits under Section 3 shall be processed as a claim for the purposes of this section.

**13.1. Original Claim.** Any person may file with the Committee a written claim for benefits under this Plan. Within ninety (90) days after the filing of such a claim, the Committee shall notify the claimant in writing whether his or her claim is upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred eighty days from the date the claim was filed) to reach a decision on the claim. If the claim is denied in whole or in part, the Committee shall state in writing:

- (a) the specific reasons for the denial;
- (b) the specific references to the pertinent provisions of the Plan Statement on which the denial is based;
- (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) an explanation of the claims review procedure set forth in this section.

**13.2. Claims Review Procedure.** Within sixty (60) days after receipt of notice that his or her claim has been denied in whole or in part, the claimant may file with the Committee a written request for a review and may, in conjunction therewith, submit written issues and comments. Within sixty (60) days after the filing of such a request for review, the Committee shall notify the claimant in writing whether, upon review, the claim was upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred twenty days from the date the request for review was filed) to reach a decision on the request for review.

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### 13.3. General Rules.

- (a) No inquiry or question shall be deemed to be a claim or a request for a review of a denied claim unless made in accordance with the claims procedure. The Committee may require that any claim for benefits and any request for a review of a denied claim be filed on forms to be furnished by the Committee upon request.
- (b) All decision on claims and on requests for a review of denied claims shall be made by the Committee.
- (c) The Committee may, in its discretion, hold one or more hearings on a claim or a request for a review of a denied claim.
- (d) Claimants may be represented by a lawyer or other representative (at their own expense), but the Committee reserves the right to require the claimant to furnish written authorization. A claimant's representative shall be entitled to receive copies of notices sent to the claimant.
- (e) The decision of the Committee on a claim and on a request for a review of a denied claim shall be served on the claimant in writing. If a decision or notice is not received by a claimant within the time specified, the claim or request for a review of a denied claim shall be deemed to have been denied.
- (f) Prior to filing a claim or a request for a review of a denied claim, the claimant or his or her representative shall have a reasonable opportunity to review a copy of the Plan Statement and all other pertinent documents in the possession of Apogee.
- (g) The Committee may permanently or temporarily delegate all or a portion of its authority and responsibility under this Section to a another committee or to an individual.
- (h) The procedures and remedies herein are not exclusive. Subsequent to a Change in Control, a Participant or surviving spouse of a Participant shall not be required to exhaust these administrative remedies. If there is litigation regarding the benefits payable to or with respect to a Participant, then notwithstanding Section 7.4, determinations made by the Committee subsequent to a Change in Control (even if such determinations relate to events occurring wholly or partially before the Change in Control) shall not be afforded any deference and the matter shall be heard *de novo*.
- (i) If any Participant successfully litigates, in whole or in part, any claim for benefits under this Plan, the court shall award reasonable attorney's fees and costs of the action to the Participant.

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## SECTION 14

### MISCELLANEOUS

**14.1. Securities Law and Other Restrictions.** Notwithstanding any other provision of this Plan or any Stock Deferral Election delivered pursuant to this Plan, the Company will not be required to issue any shares of Common Stock under this Plan and a Participating Director may not sell, assign, transfer or otherwise dispose of shares of Common Stock issued pursuant to this Plan, unless (a) there is in effect with respect to such shares a registration statement under the Securities Act of 1933, as amended (the "Securities Act") and any applicable state securities laws or an exemption from such registration under the Securities Act and applicable state securities laws, and (b) there has been obtained any other consent, approval or permit from any other regulatory body that the Company deems necessary or advisable. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing shares of Common Stock, as may be deemed necessary or advisable by the Company, in order to comply with such securities law or other restriction.

**14.2. Governing Law.** The validity, construction, interpretation, administration and effect of this Plan and any rules, regulations and actions relating to this Plan will be governed by and construed exclusively in accordance with the laws of the State of Minnesota.

**14.3. ERISA Administrator.** The Company shall be the plan administrator of this Plan.

**14.4. Service of Process.** In the absence of any designation to the contrary by the Company, the Secretary of the Company is designated as the appropriate and exclusive agent for the receipt of service of process directed to this Plan in any legal proceeding including arbitration, involving this Plan.

**14.5. Administrative Determinations.** The Committee shall make such determinations as may be required from time to time in the administration of this Plan. The Committee shall have the discretionary authority and responsibility to interpret and construe the Plan Statement and to determine all factual and legal questions under this Plan, including but not limited to the entitlement of Participants and others, and the amounts of their respective interests. Each interested party may act and rely upon all information reported to them hereunder and need not inquire into the accuracy thereof, nor be charged with any notice to the contrary.

**14.6. Rules and Regulations.** Any rule not in conflict or at variance with the provisions hereof may be adopted by the Committee.

**14.7. Errors in Computations.** The Company nor the Committee shall not be liable or responsible for any error in the computation of any benefit payable to or with respect to any

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Participant resulting from any misstatement of fact made by the Participant or by or on behalf of any survivor to whom such benefit shall be payable, directly or indirectly, to Apogee, and used by the Company in determining the benefit. Apogee shall not be obligated or required to increase the benefit payable to or with respect to such Participant which, on discovery of the misstatement, is found to be understated as a result of such misstatement of the Participant. However, the benefit of any Participant which is overstated by reason of any such misstatement or any other reason shall be reduced to the amount appropriate in view of the truth (and to recover any prior overpayment by offset or other legal process).

14.8. **ERISA Status.** This Plan is adopted with the understanding that it is an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as provided in section 201(2), section 301(3) and section 401(a)(1) of ERISA. Each provision shall be interpreted and administered accordingly.

14.9. **IRC Status.** This Plan is intended to be a nonqualified deferred compensation arrangement. The rules of section 401(a) *et. seq.* of the Code shall not apply to this Plan. The rules of section 3121(v) and section 3306(r)(2) of the Code shall apply to this Plan. The rules of section 409A of the Code shall apply to this Plan to the extent applicable and this Plan Statement shall be construed and administered accordingly. The Company nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any Participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the Participant or other person on account of any amounts under this Plan or on account of any failure to comply with any Code section.

**APOGEE ENTERPRISES, INC.  
PARTNERSHIP PLAN  
(2005 Restatement)**

First Effective June 25, 1987  
As Amended and Restated Effective January 1, 2005



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**APOGEE ENTERPRISES, INC.**  
**PARTNERSHIP PLAN**  
**(2005 Restatement)**

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**APOGEE ENTERPRISES, INC.  
PARTNERSHIP PLAN  
(2005 Restatement)**

**SECTION 1**

**INTRODUCTION AND DEFINITIONS**

1.1. **Amendment and Restatement.** Effective June 25, 1987, Apogee Enterprises, Inc., a Minnesota corporation (hereinafter sometimes referred to as “Apogee”) and certain affiliated “Employers” and separately as the “Employer” created a combination nonqualified deferred compensation plan and restricted stock plan for a select group of management and highly compensated employees. This Plan is designed to provide key executives of such corporations with an increased ownership in Apogee Enterprises, Inc., foster and motivate exceptional work performance and teamwork among such executives, and provide supplemental retirement benefits and long-term financial security.

1.2. **Unfunded Obligation.** The obligation of the Employers to make payments under this Plan constitutes only the unsecured (but legally enforceable) promise of the Employers to make such payments. No Participant shall have any lien, prior claim or other security interest in any property of the Employers. The Employers shall have no obligation to establish or maintain any fund, trust or account (other than a bookkeeping account or reserve) for the purpose of funding or paying the benefits promised under this Plan. If such a fund, trust or account is established, the property therein shall remain the sole and exclusive property of the Employer that established it. The Employers shall be obligated to pay the benefits of this Plan out of their general assets.

1.3. **Definitions.** When the following terms are used herein with initial capital letters, they shall have the following meanings:

1.3.1. “**Administrator**” means the Administrator appointed by the Board of Directors, and if none, then the Committee.

1.3.2. “**Apogee**” depending on the context in which it is used means Apogee Enterprises, Inc. and/or its Subsidiaries who are a party to this Plan; provided, however, this definition shall not be construed or interpreted to allow assets held in Trust for the benefit of a Participant (employee) of Apogee Enterprises, Inc. to be subject to claims of general creditors of any Subsidiary, nor shall assets held in the Trust on behalf of a Participant (employee) of any Subsidiary be subject to claims of general creditors of Apogee Enterprises, Inc. or any other Subsidiary. (See Section 6).

1.3.3. “**Apogee Company**” means any Apogee corporation in the singular, whether Apogee Enterprises, Inc. or any Subsidiary that is a party to this Plan.

1.3.4. “**Beneficiary**” means the person, persons or trust last designated by the Participant to receive the benefits provided under this Plan. Such designation shall be made pursuant to Section 8 of the Plan.

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- 1.3.5. “**Board of Directors**” means the Board of Directors of Apogee Enterprises, Inc.
- 1.3.6. “**Committee**” means the Compensation Committee of the Board of Directors.
- 1.3.7. “**Common Stock**” means common stock of Apogee Enterprises, Inc.
- 1.3.8. “**Deferred Compensation Account**” means the Trust Fund account of a Participant as provided in Section 6.3.
- 1.3.9. “**Disability**” means mental or physical disability, which, in the opinion of the Committee, based on medical evidence satisfactory to the Committee, prevents a Participant from engaging in the principal duties of his or her employment.
- 1.3.10. “**Early Retirement**” means voluntary separation from employment of a Participant from Apogee which has been approved by the Committee at or after such Participant has attained age 50 and prior to age 65. Early Retirement shall not be available to any Participant unless and until such Participant has 15 years of Service with Apogee. Early Retirement is not and shall not be defined or interpreted as Termination of Employment or Retirement.
- 1.3.11. “**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended. This agreement qualifies as a plan which is unfunded and which is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.
- 1.3.12. “**Fair Market Value**” means the daily closing price of Common Stock as reported in the Wall Street Journal.
- 1.3.13. “**Financial Hardship**” means an immediate, severe financial need of a Participant, resulting from an event not reasonably foreseeable by the Participant, which cannot be met by the Participant from other resources reasonably available to the Participant from insurance or reimbursement, liquidation of assets to the extent that would not itself cause severe financial hardship or succession deferrals under the Plan. Such events would arise, for example, from a serious illness, injury or accident of the Participant or a dependent member of Participant’s family, loss of property due to casualty or similar severe, extraordinary and unforeseeable circumstances beyond the control of Participant detrimentally affecting the health or welfare of the Participant or a dependent member of Participant’s family. The Committee shall determine when Financial Hardship occurs and its determination shall be final and not subject to review or challenge by a Participant. However, when the term “Financial Hardship” is used in the Plan Statement, it shall be construed to have the meaning consistent with the term “Unforeseeable Emergency” as used in section 409A of the Internal Revenue Code.
- 1.3.14. “**Fiscal Year**” means the annual period ending on the Saturday closest to the last day of February or such Fiscal Year of Apogee as it may be changed hereafter from time to time.

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- 1.3.15. “**Grantor**” means Apogee or the Committee, acting on behalf of Apogee.
- 1.3.16. “**Incentive Compensation**” means compensation awarded to an employee of Apogee at the end of the Fiscal Year pursuant to the Incentive Plan.
- 1.3.17. “**Incentive Plan**” means the Incentive Compensation arrangement as adopted by Apogee on a year to year basis, prior to the end of a Fiscal Year, and as revised from time to time, which provides for Incentive Compensation to selected management or highly compensated employees of Apogee, on a company by company basis, on the attainment of defined financial and developmental goals during the course of that Fiscal Year, if said employee remains in the employ of Apogee at the end of that Fiscal Year.
- 1.3.18. “**Participant**” means a person employed by Apogee who (i) is a participant in and eligible to receive compensation under the Incentive Plan, (ii) has been specifically selected by the Committee to participate in the Partnership Plan, and (iii) has elected to defer such compensation under this Plan, or a person, and who prior to the time of Retirement, Early Retirement, death, Disability or Termination of Employment, had elected to defer such compensation under this Plan and who retains, or whose Beneficiaries retain, benefits under the Plan and in accordance with its terms.
- 1.3.19. “**Plan**” means this Partnership Plan, as it may be amended from time to time.
- 1.3.20. “**Pool A**” means that portion of the Incentive Compensation awarded by Apogee to the Participant which Participant has elected to defer and which, pursuant to this Plan, Apogee as Grantor shall contribute to the Trust.
- 1.3.21. “**Pool B**” means shares of Common Stock purchased or issued by Apogee in the Participant’s name, which shares in number shall be equal to the number of shares resulting from and computed pursuant to Participant’s election to defer under Pool A. Pool B shares so issued are and shall be designated as “Restricted Stock”.
- 1.3.22. “**Restricted Stock**” means Pool B stock in the Participant’s name that is or is meant to be nontransferable, forfeitable, and imprinted with a restrictive legend.
- 1.3.23. “**Retirement**” means a Participant’s retirement at or after attaining age 65.
- 1.3.24. “**Subsidiary**” means a corporation, of which Apogee Enterprises, Inc. owns at least fifty percent (50%) of the shares having voting power in the election of directors.
- 1.3.25. “**Termination of Employment**” means a Participant’s termination of employment with Apogee whether voluntary or involuntary. Termination of Employment does not include Retirement or Early Retirement. However, when the term “Termination of Employment” is used in the Plan Statement, it shall be construed to have meaning consistent with the term “Separation from Service” as used in section 409A of the Internal Revenue Code.

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1.3.26. **“Trust”** means the entity created by the Deferred Compensation Trust Agreement (the “Trust Agreement”) of even date which Apogee has adopted and executed pursuant to this Plan, together with all amendments and exhibits thereto.

1.3.27. **“Trustee”** means the entity, person or persons individually signing the Trust Agreement as Trustee or any successor to such Trustee (see Section 6.1 hereof and Section 9 of the Trust Agreement).

1.3.28. **“Trust Fund”** means the fund held by the Trustee pursuant to the terms of the Trust, including individual Trust Fund accounts and Vintage Accounts established for each Participant.

1.3.29. **“Unrestricted Stock”** means Common Stock issued in the name of a Participant that is freely transferable and not subject to substantial risk of forfeiture.

1.3.30. **“Vintage Account”** means a subaccount of a Participant’s Trust Fund account established by the Trustee for the purpose of identifying and segregating increases and decreases to such account by Fiscal Year contribution of Pool A shares to which such increases or decreases relate. Such increases or decreases may be caused by, but are not limited to cash or property dividends, stock splits, stock purchases, reorganizations, mergers, distributions and the like.

## SECTION 2

### SELECTION OF PLAN PARTICIPANTS AND DISQUALIFICATION

2.1. **Selection of Participant.** The Committee will establish the criteria for Participation in the Plan and make Incentive Compensation awards to Participants. No person shall be entitled to benefits under the Plan except as awarded by the Committee in its sole discretion, with or without receiving recommendations from Apogee. Notwithstanding the foregoing, it is anticipated that the Board of Directors and the respective boards of directors of each Subsidiary shall provide such recommendations to the Committee.

2.2. **Disqualification of Participants.** In any instance where a Participant engages in acts or omissions including, but not limited to, (i) willful and substantial misconduct in the discharge of a Participant’s duties as an officer or employee, or (ii) reckless failure or refusal to perform substantial and clear duties of employment, or (iii) criminal misconduct of the Participant, having the foreseeable likelihood or effect of causing a material loss of or damage to the properties, business or reputation of Apogee, or (iv) conferring an unauthorized and substantial pecuniary benefit upon the Participant or a designee of a Participant at the expense of Apogee, such acts or omissions may give rise to a finding by the Committee of a “Disqualification”. In order for a Disqualification to become effective, the finding of the Committee must be ratified by not less than fifty percent (50%) of a quorum of the Board of Directors and not less than fifty percent (50%) of a quorum of the board of directors of the Apogee Company by whom the Participant is employed. If any Participant subject to Disqualification is a member of the board of directors of any Apogee Company, such Participant shall not cast a vote on any

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motion for Disqualification. In the event that a finding of Disqualification is ratified, the maximum distribution to the Participant from that Participant's Pool A Trust Fund account(s) shall be the lesser of the Fair Market Value of such stock on the date of Disqualification or the original amount of Incentive Compensation deferred by Participant in any Fiscal Year. Such distribution shall be made in Common Stock. Any Common Stock or other property remaining in Participant's Trust Fund subsequent to a Disqualification distribution shall immediately revert to Apogee for cancellation or incorporation to Apogee's general assets, as applicable. Any and all Restricted Stock in the Participant's name shall immediately be forfeited to Apogee without consideration.

### **SECTION 3**

#### **PARTICIPANT'S ELECTION TO DEFER COMPENSATION**

For any Fiscal Year, any Participant may elect to defer (i) not greater than one-half, or (ii) any percentage less than one-half of the compensation that may become payable to the Participant under the Incentive Plan. The election shall be made in writing on the form set forth in Exhibit C, designating the percentage or amount of the compensation that may be due under the Incentive Plan which is to be deferred, signed by the Participant and delivered to the Committee prior to the commencement of the calendar year which includes the first day of the Fiscal Year with respect to which such compensation is to be earned and deferred. If an individual is first employed by Apogee during the calendar year which includes the first day of the Fiscal Year and is eligible for compensation under the Incentive Plan, that individual shall make the election to defer prior to the first day of employment. The election to defer under the Plan, once made, is irrevocable. The percentage or amount of the compensation that may be due under the Incentive Plan which is to be deferred shall cause the Committee to contribute an equivalent amount of cash or shares of Common Stock to the Trust on behalf of the Participant, such contribution constituting Pool A. Concurrently with the contribution to the Trust, Apogee shall cause to have issued shares of Restricted Stock in the name of the Participant designated as Pool B, which shares in number shall be equal at the time of issuance to the number of shares contributed to the Participant's Pool A Trust Fund for that Fiscal Year. Participant's Pool A Trust Fund shall be administered by the Trustee. Participant's Pool B Restricted Stock shall be escrowed with the Administrator. Within a reasonable time after the Committee's determination of the Participant's Incentive Compensation, Apogee shall transfer the Pool A shares or cash equivalent (to purchase an equivalent number of Pool A shares) to the Trustee to the credit of the Participant's Trust Fund.

### **SECTION 4**

#### **SAVINGS CLAUSE**

This Plan is intended to conform to the provisions of Sections 83, 402, 404, 451, and 671 through 677 of the Internal Revenue Code of 1986, as amended ("IRC" or the "Code"), with the provisions of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and all



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administrative and judicial interpretations thereof. As such this Plan shall be interpreted consistently with those laws and interpretations, shall not be interpreted to permit any action inconsistent with those laws or interpretations, and any provision herein inconsistent with those Laws or interpretations is hereby amended to make it consistent while still preserving, as nearly as possible, the original meaning of the amended provision.

## SECTION 5

### ADMINISTRATION

5.1. **Compensation Committee.** The Plan shall be administered by a Plan Compensation committee composed of either (i) the Board of Directors, a majority of which are Disinterested Persons and a majority of the directors acting on Plan matters are Disinterested Persons, or (ii) by a committee of three or more persons, all of whom are Disinterested Persons. "Disinterested Persons" shall be interpreted as that term is defined in Rule 16b-3 of the Securities Exchange Act of 1934. No member of the Committee while serving as such shall be eligible for participation in the Plan. The Committee may appoint an Administrator who shall have the authority to manage and administer this Plan between meetings of the Committee and to carry out the resolutions of the Committee. All actions of the Administrator shall be subject to the Committee's review and approval.

5.2. **Powers.** The Committee shall have the exclusive and final authority to interpret the Plan, prescribe, amend, and rescind the rules and regulations relating to the Plan, to delegate such responsibilities or duties as are allowable under the Plan or by law as it deems desirable, and make all other determinations necessary or advisable for the administration of the Plan. A majority of the members of the Committee shall constitute a quorum and all determinations of the Committee will be made by a majority of the quorum. Any determination by the Committee under the Plan may be made without notice of and without convening a meeting if evidenced by one or more writings signed by all of the Committee members.

5.3. **No Liability.** In administering the Plan, neither the Committee nor any member of the Committee nor any person to whom the Committee may delegate any duty or power in connection with administering the Plan shall be liable, except as provided in the Securities Act of 1933, as amended, for any action, failure to act or loss except for its or his or her own gross negligence or willful misconduct, nor for the payment of any benefit or other amount under the Plan. No member of the Committee shall be personally liable under any contract, agreement, bond or other instrument made or executed by such member or in his or her behalf as a member of the Committee, nor for the neglect, omission or wrong-doing of any other member of the Committee.

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## SECTION 6

### POOL A: DEFERRED COMPENSATION ACCOUNT

**6.1. Establishment of Trust.** The Deferred Compensation Trust Agreement (which is attached hereto and incorporated by reference herein as Exhibit A) was established on June 25, 1987. The Trust is irrevocable and administers Participant Pool A Trust Funds received by it in either cash or in Common Stock from Apogee. All contributions so received, and any income therefrom, shall be held, managed and administered by the Trustee as a single Trust. The Trust Agreement provides that the Trustee shall discharge its responsibilities for the investment, management and control of the Trust assets solely in the interest of the Participants and Beneficiaries of the Plan. All investments of the Trust assets shall be made in Common Stock; provided, however, that the Trustee may maintain such portion of the Trust assets in cash or forms of short-term liquid investments as it deems in the best interests of the Trust, provided that the Trust remains primarily invested in Common Stock. The property of the Trust will be held in the individual name of the Trustee. Any shares in the Trust will be voted by the Trustee in its discretion unless a Participant instructs the Trustee regarding the manner in which such shares credited to the Participant's Trust Fund shall be voted.

**6.2. Deposits to Trust.** Following the award of Incentive Compensation to a Participant who has elected to defer a portion of such compensation under this Plan, and as soon thereafter as may be reasonably practicable, Apogee shall deposit with the Trustee (for the benefit of the Participant's Trust Fund) shares of Common Stock, or cash to purchase such stock, for which the purchase price per share is equal to the lesser of:

- (a) the Fair Market Value per share at the date of the Participant's election to defer, or
- (b) the Fair Market Value per share at the date the Participant's Incentive Compensation award is approved by the Committee.

The number of shares to be deposited with the Trust shall be computed by dividing the amount of Participant's Incentive Compensation award that was deferred by the aforementioned per share purchase price. Cash deposited with the Trust shall be sufficient to purchase the number of shares otherwise required to be deposited with the Trust. No fractional shares shall be issued; provided, however, that computed fractional shares below fifty percent (50%) shall be rounded to a lower non-fractional number, and fractional amounts in excess of forty-nine percent (49%) shall be rounded to the next whole number.

Each Apogee Company shall contribute the amount or Common Stock shares due to the Trust on behalf of Participants employed by it. Each Apogee Company shall pay, pro rata by its number of Participants, any and all administrative charges for opening and maintaining Trust Fund accounts for Participants and for brokerage commissions, if any, on purchases of Pool A and Pool B Common Stock.

**6.3. Participant Trust Fund.** The Trustee shall establish a Trust Fund account and Vintage Account for each Participant of each Apogee Company, which accounts will be

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maintained by the Trustee for each deposit made by Apogee under the Plan, and any charges or credits, including dividends and fees payable by the Trust. The Trust Fund accounts and Vintage Accounts shall be kept in the names of the individual Participants and each Beneficiary of a deceased Participant. The Trust shall issue annual and final statements to each Participant showing deposits, earnings, charges and credits to each of the Participant's Trust Fund account(s) and Vintage Account(s) (see 6.5 "Interest of Participant").

**6.4. Trust Fund Accounting.** The Trustee shall credit each Participant's Trust Fund account(s) and respective Vintage Account(s) with (i) the number of shares of Common Stock awarded to the Participant, or Common Stock or other shares purchased with cash and cash dividends, (ii) cash or stock dividends, and (iii) warrants or any other property received with respect to the stock in such account. Separate Vintage Accounts shall be established as subaccounts to all Participant Trust Fund accounts for each, and segregated by, Fiscal Year for which Pool A Incentive Compensation was contributed by Apogee. Each Vintage Account shall be debited or credited, as applicable, for additional shares purchased by the Trustee on the Participant's behalf, as a result of earnings in respect to stock noted in the Vintage Account, or for shares distributed from the Trust as a result of insolvency (see Section 6.6) or the occurrence of a predetermined event of distribution. Examples of such earnings or distributions include cash, stock, or property dividends, stock splits, warrants, options, reorganization, merger, exchange, insolvency, and the like. Distributions shall include or result from payments to Participants, forfeitures upon Disqualification, and the distribution of Trust assets by the Trustee to creditors of a respective Apogee Company. (See Section 6.5). To the extent Apogee incurs taxable income in respect to cash dividends declared and paid on Participant Pool A shares, Apogee shall have the right to require payment of such tax by the Trust, pursuant to appropriate written instruction to the Trustee, and Participant Trust Fund accounts and Vintage Accounts shall be charged accordingly. Common Stock purchased with cash dividends paid on such stock in Participant Trust Fund accounts and Vintage Accounts will vest in the Participant as of the date the Common Stock on which the dividend was paid vests.

**6.5. Interest of Participant.** Any funds deposited with, earned by or related to Participant Trust Fund accounts shall be and continue to be at all times part of the general assets of the respective Apogee Company depositing such funds, subject to the claims of its unsecured general creditors. In the event a Participant becomes an employee of any other Apogee Company, the Trustee shall establish a separate Trust Fund account and Vintage Account(s) for deposits made to the Trust by that company on behalf of the Participant. Assets of the Trust are not intended to serve as security for payment of Participant Trust Funds under the Plan if an Apogee Company is or becomes insolvent. All rights created under the Plan and the Trust shall be and are mere unsecured contractual rights of a Participant against the Apogee Company from whom the Participant was awarded Incentive Compensation in a particular Fiscal Year. The Participant's right to receive payments of deferred compensation under the Trust is and shall be no greater than the right of an unsecured general creditor of the applicable Apogee Company. No right, benefit or payment under this Plan shall be subject to attachment or other legal process for the debts of a Participant or any Beneficiary, and shall not be subject to anticipation, transfer, sale, assignment or encumbrance. No person, other than Participant (or Participant's Beneficiaries in the event of death) shall have any claim against Apogee by virtue of the provisions of the Plan.

6.6. **Insolvency.** The Trustee shall be and is prohibited from making any payments to a Participant or any Beneficiary, whose Trust Fund was established and funded by a specific Apogee Company, upon or subsequent to notification in writing that such Apogee Company is unable to pay its debts as they mature or that it is subject as a debtor to a pending proceeding under the Bankruptcy Code. Under any such circumstances, the Trustee shall deliver any property held by the Trust on behalf of Participants of the insolvent Apogee Company if, and only if, a court of competent jurisdiction so directs in order to satisfy creditor claims of that Company. The Trustee shall have the right to seek and retain legal counsel to determine the competent jurisdiction of the court directing delivery of Trust assets and, if appropriate, may challenge such jurisdiction or the legality of such court's order in the name of the Trust in any court.

6.7. **Distribution of Deferred Compensation Fund.**

- (a) **Events of Distribution.** Distribution of the respective Vintage Accounts of a Participant's Trust Fund shall not occur earlier than the 15th day of the final month of the fifth (5th) Fiscal Year following the Fiscal Year for which the Vintage Account was or should have been established (the "Base Period"); provided, however, that distributions prior to the end of the Base Period shall be allowed in the event of death or Disability.
- (b) **Alternative Distribution Methods.** Subject to the provisions of paragraph (a) above and the additional requirement set forth below with respect to Financial Hardship, a Participant may elect to receive distribution of his or her Trust Fund(s) and Vintage Account(s), such distribution election including (i) a lump sum on a date certain or upon the occurrence of Retirement, Termination of Employment (subsequent to the base period), Disability, or death, or (ii) annual installments commencing on a date certain or upon the occurrence of Retirement, Termination of Employment (subsequent to the Base Period), Disability or death. A Participant shall elect the manner of distribution on the form attached hereto as Exhibit C, which is incorporated by reference herein, executed and delivered to the Committee at the time the Participant makes his or her election to defer compensation for that Fiscal Year under the Plan. In the event of Financial Hardship, the distribution shall not exceed the amount determined by the Committee, in its sole discretion, to meet the immediate need of the Participant on account of the Financial Hardship.
- (c) **Yearly Installment Distributions.** In the event of installment distribution, each yearly installment shall be transferred on the fifteenth (15th) day of the final month of the Fiscal Year in an amount equal to the balance credited (in shares of Common Stock) to the Participant's Trust Fund(s) and Vintage Account(s) on the date on which the yearly distribution is to be made, divided by the remaining number of distributions to be made.

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- (d) **Key Employees.** Notwithstanding 6.7(b), if payments are to be made on account of Termination of Employment to a Key Employee (as defined in Section 409A of the Code), distribution of the Participant's Vintage Account shall be suspended until a date that is six (6) months after the date of Termination of Employment. As soon as administratively feasible after the six (6) month anniversary of the Participant's Termination of Employment, the Participant shall receive all payments, without interest, the Participant would have been entitled to receive during this six (6) month period had the Participant not been a Key Employee. Thereafter, payments shall be made in accordance with Section 6.7(b). If a Participant dies prior to receiving a payment under this Section, the Participant's Vintage Accounts shall be paid in accordance with Section 8.

6.8. **Shares Subject to Plan.** Apogee hereby authorizes Two Million Twenty Thousand (2,020,000) shares of Common Stock to be issued or purchased and designated as Pool A Common Stock pursuant to this Plan. Any Pool A shares that are returned to Apogee by Disqualification may be added to the number of shares available under the Plan for the purpose of funding Pool A.

## SECTION 7

### POOL B: RESTRICTED STOCK

7.1. **Issuance and Ownership.** In the event that a Participant elects to defer Incentive Compensation as provided in Section 3 hereof, then concurrently upon funding of the Pool A Trust, Apogee shall purchase or cause to have issued an equivalent number of shares of Common Stock in the name of the Participant as provided in and determined by Section 7.2.

7.2. **Designation.** Common Stock transferred to a Participant as provided in Section 7.1 shall be and hereby is designated as Pool B Restricted Stock, subject to limitations on transferability of the shares, substantial risk of forfeiture, and legending as described in this Section 7.

7.3. **IRC ss.83.** A Participant may not elect to be taxed in the year Pool B Restricted Stock is received on the difference between the Fair Market Value of such stock and the Participant's basis in such stock, without the express written consent of the Committee.

7.4. **Restriction on Transfer of Shares.** Except as to Participant's vested interest in and to the Restricted Stock as provided hereinafter (Unrestricted Stock), a Participant or any Beneficiary of a Participant shall not sell, transfer, pledge, hypothecate, encumber, grant a lien in, or otherwise dispose of (or enter into a binding agreement to sell, pledge, hypothecate, encumber, grant a lien in, or otherwise dispose of) all or any of the Restricted Stock in the name of the Participant or any Beneficiary. Any stock which is no longer subject to Section 7.5, shall be freely transferable and considered Unrestricted Stock; provided, however, that transfer of the shares shall be made only in accord with applicable federal and state securities laws.

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#### 7.5. Legend and Stop Order Transfer.

- (a) **Legend.** Apogee shall imprint the following legend upon each of the certificates representing Restricted Stock heretofore or hereafter issued in the name of a Participant or a Beneficiary of a Participant on the books of Apogee Enterprises, Inc. and such legend shall be and remain upon such certificates, as well as any reissuance thereof, unless and until removed pursuant to the reissuance of certificates upon vesting of the Participant's unrestricted right to own and transfer such shares:  
"The securities represented by this certificate are subject to a Restricted Stock Agreement by and between Apogee Enterprises, Inc. and the registered owner of such securities, and may not be sold, transferred, pledged, hypothecated, encumbered, lien, or otherwise disposed of unless in compliance with the terms of such Restricted Stock Agreement, a copy of which is on file at the principal office of Apogee Enterprises, Inc."
- (b) **Stop Transfer Order.** A stop transfer order shall be placed with Apogee Enterprises, Inc., as well as any transfer agent appointed by it, preventing transfer of any Restricted Stock of a Participant or a Participant's Beneficiary, pending removal of the restrictions on transfer as set forth in this Section 7.
- (c) **Removal of Legend.** The legend endorsed on a Participant's Restricted Stock certificate or instrument evidencing Participant's shares shall be removed, and Apogee shall cause to have issued a certificate or instrument without such legend, if the Participant or a Beneficiary of a Participant becomes vested in and to such Restricted Stock, such that the Restricted Stock is no longer subject to restrictions on transfer and substantial risk of forfeiture. In the event that less than all of the shares represented by the Restricted Stock certificate vest on a given date, and upon the written request of a Participant or a Beneficiary of a Participant, Apogee shall issue an unlegended certificate evidencing the Unrestricted Stock and shall issue a new Restricted Stock certificate evidencing the remaining Restricted Stock, all in exchange for the original Restricted Stock certificate, which certificate shall be cancelled and retired.

7.6. **Risk of Forfeiture.** The Committee may establish, in its sole discretion, events by which a Participant would forfeit his or her entire interest in Restricted Stock. Such events may include, but are not limited to:

- (a) Forfeiture of remaining Restricted Stock in the event the Participant does not remain in the employ of Apogee for the entire vesting period established by the Restricted Stock Agreement described in Section 7.7.
- (b) Forfeiture of Restricted Stock of a Participant in the event that the Participant violates a condition established in connection with his or her Early Retirement or Termination of Employment with Apogee not to engage in competition with Apogee for a certain time period and within a stated geographic area.

A forfeiture is not and shall not be interpreted to be a Disqualification (Section 2.2). In the event of a forfeiture of Restricted Stock, a Participant shall offer (or be deemed to have offered automatically) to Apogee all, and not less than all, of such Participant's Restricted Stock at a price equal to the lesser of the Participant's "tax basis" in the Restricted Stock or the Fair Market Value of such Stock on the date of forfeiture. The offer shall be made as soon as practicable after Participant's receipt of the Committee's written determination that an event of forfeiture has occurred. The terms of the purchase shall be cash in exchange for the Restricted Stock at the time of closing.

**7.7. Vesting.** Except as otherwise provided in this Plan, a Participant shall become vested in his or her Restricted Stock only in accord with the terms and conditions agreed to by the Committee and the individual Participant, pursuant to the "Restricted Stock Agreement" executed by the Parties concurrently with the transfer of the Participant's Restricted Stock, which Agreement is attached hereto and incorporated by reference herein as Exhibit B. All Restricted Stock transferred to the Participant within a particular Fiscal Year shall vest in accordance with the vesting schedule established by and contained in or attached to the Restricted Stock Agreement; provided, however, that the Committee may, in its sole discretion, establish vesting schedules for Participant Restricted Stock which differ from vesting schedules established for any other Participant in the Plan or which differ from any other vesting schedule established for a particular Participant in another Fiscal Year.

If any of the following events occur while a Participant is fully employed by any Apogee Company, or Participant is subject to an agreement not to engage in competition with any Apogee Company, then all Restricted Stock in the name of Participant shall immediately become Unrestricted Stock:

- (a) Death of Participant.
- (b) Total permanent Disability of Participant.
- (c) Retirement of the Participant after achieving age 65, such Retirement not to include Early Retirement.

Notwithstanding anything contained herein to the contrary, the Plan service period for financial accounting purposes hereunder shall be deemed to be the fiscal year with respect to which a Participant elects to defer bonus compensation amounts under Section 3 of this Plan.

**7.8. Escrow.** Restricted Stock issued and outstanding in the name of any Participant shall be retained in a bank safe deposit box under the control of the Plan Administrator.

**7.9. Voting.** Restricted Stock may be voted by the Participant as if such shares were not so restricted and, except as provided herein, shall have and hold all the benefits, rights, duties and obligations of a shareholder of Common Stock.

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**7.10. Earnings on Shares.** Participants shall be entitled to receive any and all cash dividends, stock dividends, warrants or any other property or benefits received with respect to ownership of his or her Restricted Stock. Shares issued to Participants as a result of such share ownership shall, however, be Restricted Stock subject to the provisions of this Plan and the respective Restricted Stock Agreement to which such stock relates, including the vesting schedule or schedules established by the Committee.

**7.11. Recording.** No transfer of Restricted Stock shall be recognized by Apogee Enterprises, Inc. until it is duly entered upon its books and records and once a transfer is recorded upon the books and records of Apogee Enterprises, Inc., the effective date of the transfer shall be the date of the actual transfer and such ownership shall “relate back” to such date. Transfers of Restricted Stock that are prohibited by this Agreement shall be void and such transfers shall not be recognized by Apogee Enterprises, Inc. and shall not be entered upon its books and records.

**7.12. Shares Subject to Plan.** Apogee hereby authorizes One Million Three Hundred Eighty Thousand (1,380,000) shares of Common Stock to be issued or purchased and designated as Pool B Restricted Stock pursuant to the Plan. Any Restricted Stock awarded to Participants that are returned to Apogee by forfeiture or disqualification may be added to the number of shares available under the Plan for the purpose of funding Pool B.

## **SECTION 8**

### **DESIGNATION OF BENEFICIARY**

A Participant may designate one or more Beneficiaries who are to succeed the Participant’s rights under Pool A and Pool B of the Plan in the event of Participant’s death. A designation of Beneficiary may be made only in writing on the form attached hereto as Exhibit D signed by the Participant and filed with the Committee and the Trustee. Beneficiaries may be changed with or without the consent of any prior Beneficiary. In the case of a failure of designation, or the death of a Beneficiary without a designated successor surviving, distribution shall be made to the estate of a Participant.

## **SECTION 9**

### **EFFECT OF PLAN**

Neither the adoption of this Plan nor the participation of an employee in the Plan shall affect the existing employment relationship of Participant with any Apogee Company, which employment shall remain terminable at the will of such company or the Participant unless provided for to the contrary in a separate, written agreement by and between the Apogee Company and a Participant.



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## SECTION 10

### DILUTION OR REORGANIZATION

10.1. **Dilution.** In the event that additional shares of Common Stock are issued pursuant to a stock split, stock dividend, reclassification or the like, the number of shares of Common Stock held by the Trust in the Trust Fund(s) and Vintage Account(s) on behalf of the Participant, or by a Participant as Restricted Stock, shall be increased proportionately. In the event that Common Stock from time to time issued and outstanding is reduced by a combination of shares, the number of shares of Common Stock held by the Trust or the Participant shall be reduced proportionately.

10.2. **Reorganization.** In the event that any Apogee Company is reorganized or is succeeded by another corporation in a reorganization, merger, consolidation, acquisition of property or stock, separation or liquidation, or the like, Apogee shall require, as part of the terms of the agreement or instrument which evidences such event or events, that all of the obligations of Apogee under this Plan will be assumed as if such event or events had not occurred. Under no circumstances will the event or events described herein diminish the right of Participants or the Trustee to enforce the provisions of this Plan.

## SECTION 11

### MISCELLANEOUS

11.1. **Relation Between Trust and Plan.** This Plan and the Trust are part of a single integrated Deferred Compensation Agreement and shall be construed with reference to the other. In the event of any conflict between the terms of this Plan and the Trust, such conflicts shall be resolved in favor of the Trust.

11.2. **Relation Between Restricted Stock Agreement and Plan.** This Plan and the Restricted Stock Agreement are part of a single integrated instrument and shall be construed with reference to the other. In the event of any conflict between the terms of this Plan and the Restricted Stock Agreement, such conflict shall be resolved in favor of the Plan.

11.3. **Headings.** All section headings herein, or any exhibits or collateral instruments hereto, have absolutely no legal significance and are to be used solely for the convenience of reference. In the event of any conflict between such headings and the text of this Plan, its exhibits, or collateral documents, such conflict shall be resolved in the favor of the text.

11.4. **Counterparts.** This Plan may be executed in an original and any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one Plan.

11.5. **Construction, Binding Effect and Amendment of Plan.** This Plan shall be governed by and construed in accordance with the laws of the State of Minnesota. The Plan shall be binding upon and inure to the benefit of Apogee, its successors and assigns and the Participants

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and their heirs and personal representatives. The Plan may be amended by the Committee from time to time, effective upon written notice to Participants, provided (a) no amendment may be made to Section 6.5 of the Plan, (b) no amendment may reduce any Participant's rights or benefits hereunder in any manner with respect to Pool A compensation deferred prior to the amendment, and (c) no amendment may terminate the Plan with respect to Pool A compensation deferred prior to the amendment.

In addition, any amendment to the Plan shall be approved by the shareholders of each respective Apogee Company that is a party to this Plan, if such amendment would:

- (a) materially increase the benefits accruing to Participants under the Plan; or
- (b) materially increase the number of securities which may be issued under the Plan; or
- (c) materially modify the requirements as to eligibility for participation in the Plan.

**11.6. Income Tax Withholding.** In order to comply with all applicable federal or state income tax laws or regulations, Apogee may take such action as it deems appropriate to ensure that all applicable federal or state payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant under the Plan, are withheld or collected from such Participant. In order to assist a Participant in paying all federal and state taxes to be withheld or collected upon either (i) a distribution from any Trust Fund accounts and/or Vintage Accounts of such Participant or (ii) the release from escrow of shares of Restricted Stock by the Plan Administrator upon the lapse of restrictions with respect to such shares, the Committee, in its absolute discretion and subject to such additional terms and conditions as it may adopt, shall permit the Participant to satisfy such tax obligation by either (i) electing to have Apogee withhold a portion of the shares otherwise to be delivered to Participant upon such distribution or release having a Fair Market Value on the date of such distribution or release equal to the amount of such taxes, or (ii) delivering to Apogee shares of Common Stock, other than the shares issuable to Participant upon such distribution or release, with a Fair Market Value on the date of such distribution or release equal to the amount of such taxes.

**11.7. ERISA Status.** This Plan is adopted with the understanding that it is an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees as provided in section 201(2), section 301(3) and section 401(a)(1) of ERISA. Each provision shall be interpreted and administered accordingly.

**11.8. IRC Status.** This Plan is intended to be a nonqualified deferred compensation arrangement. The rules of section 401(a) *et. seq.* of the Code shall not apply to this Plan. The rules of section 3121(v) and section 3306(r)(2) of the Code shall apply to this Plan. The rules of section 409A of the Code shall apply to this Plan to the extent applicable and this Plan Statement shall be construed and administered accordingly. The Company nor any of its officers, directors, agents or affiliates shall be obligated, directly or indirectly, to any Participant or any other person for any taxes, penalties, interest or like amounts that may be imposed on the Participant or other person on account of any amounts under this Plan or on account of any failure to comply with any Code section.