

PLAN FEATURES

As a Plan participant, you:

- may systematically increase your holdings of the Company's shares through dividend reinvestment
- may reinvest dividends on a portion of your shares and receive cash dividends on your remaining shares
- may purchase additional shares with cash investments for your Plan account either by check or by automatic deductions from your checking or savings account
- may deposit share certificates for credit to your account under the Plan
- may make withdrawals from the Plan
- may purchase additional shares of Company stock for others by making cash investments on their behalf
- may transfer all or a portion of your Plan shares to a Plan account for another person
- may sign up for telephone and online transaction privileges
- will receive statements showing your account transactions and balance

The Company has appointed Wells Fargo Shareowner Services as processing agent and administrator for the Plan. The Plan is not sponsored or administered by the Company.

Securities in the Plan are not subject to protection under the Securities Investor Protection Act of 1970.

Direct Registration

Quanex Corporation is a participant in the Direct Registration System (DRS). DRS is a method of recording shares of stock in book-entry form. Book-entry means that your shares are registered in your name on the books of the Company without the need for physical certificates and are held separately from any Plan shares you may own. Shares held in book-entry have all the traditional rights and privileges as shares held in certificate form. With DRS shareholders can:

- Eliminate the risk and cost of storing certificates in a secure place
- Eliminate the cost associated with replacing lost, stolen, or destroyed certificates
- Move shares electronically to their broker

How to Begin - Any future share transactions will be issued to book-entry form rather than physical certificates unless otherwise specified by the requester. You may convert any stock certificate(s) you are currently holding into book-entry form. Send the stock certificate(s) to Wells Fargo with a request to deposit them to your DRS account. There is no cost to you for this custodial service and by doing so you will be relieved of the responsibility for loss or theft of your certificate(s). Your certificate(s) should not be endorsed, and we recommend sending your certificate registered insured mail for 2% of the current market value.

Electronic Share Movement - You may choose to have a portion or all of your full book-entry shares delivered directly to your broker by contacting your broker/dealer.

When using your broker to facilitate a share movement, provide them with a copy of your DRS account statement.

Internet Privileges

You may access your account information and perform transactions on the internet.

For shareowners of record, to activate your account and establish a Personal Identification Number (PIN), you will need your 10-digit Wells Fargo account number (which is listed on your account statement), your Social Security number, your email address, and the company name you own stock in, Quanex Corporation.

Instructions on creating an account or accessing your account online are as follows:

For non-shareowners of record: Go to www.shareowneronline.com and click "Here". Next, simply click on the box titled "First Time Visitor," then click on "New Investor" and follow the instructions found on the "First Time Visitor New Investor Select A Company" page.

For shareowners of record: Go to www.shareowneronline.com and click "Here". Next, simply click on the box titled "First Time Visitor," then click on "New Member Sign-Up" and follow the instructions found on the "First Time Visitor New Member Registration" page.

Once you have successfully signed up, you will receive an e-mail notifying you that your account information is available, usually the next business day. You will also receive a written confirmation in the mail unless you were a non-shareowner.

Once you have activated your account online, you can also:

- Authorize, change or stop your Automatic Cash Withdrawal and Investment Service
- Change your dividend reinvestment option (for example, from full to partial reinvestment)
- Sell some or all of your Plan shares if the current market value of the shares to be sold is \$25,000 or less

Certain restrictions may apply.

Telephone Transactions

If you already participate in the Plan and want to establish telephone privileges for your account, please call Wells Fargo (see "Whom to Contact").

You may establish telephone privileges for your Plan accounts, enabling you to execute certain Plan orders by phone as follows:

- Sell a portion or all of your Plan shares if the current market value of the shares to be sold is \$25,000 or less
- Request a certificate for a portion or all of your full Plan shares if the current market value of shares to be issued is \$50,000 or less
- Terminate or change the dollar amount of your Automatic Cash Withdrawal and Investment Service

Certain restrictions may apply.

Eligibility

All shareowners of record may participate in the Plan. If you are a beneficial holder of Quanex Corporation Common Stock whose shares are held in names other than your own (e.g., held by brokers, trustees or bank nominees), you may participate in the Plan by:

- Becoming a shareowner of record, registering the shares you currently hold in your brokerage account into your own name, or
- Enrolling in the Plan in the same manner as a non-shareowner

If you are not currently a shareowner, you can enroll in the Plan by going online (see "Internet Privileges") or by making initial cash investment and completing an [Account Authorization Form \(PDF\)](#).