

Origin Agritech LTD
Form 6-K
January 08, 2014

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

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For Month of January 2014

COMMISSION FILE NUMBER 000-51576

ORIGIN AGRITECH LIMITED
(Translation of registrant's name into English)

No. 21 Sheng Ming Yuan Road, Changping District, Beijing 102206
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Origin Agritech Limited (NASDAQ: SEED), (the “Company”) a technology-focused supplier of crop seeds in China, announced unaudited financial results for the fiscal year ended September 30, 2013. These unaudited year end results reflect the Company’s financial statements during the period from October 1, 2012 to September 30, 2013.

The Company's earnings release regarding the foregoing matter is attached hereto as Exhibit 99.1.

Exhibits

Exhibit Description

99.1 Earnings Release, dated January 8, 2014.

SIGNATURES

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.

ORIGIN AGRITECH
LIMITED

By: /s/ Dr. Gengchen Han
Name: Dr. Gengchen Han
Title: Chief Executive Officer

Dated: January 8, 2014

3

entive Plan, as it shall deem advisable; provided, however, that (i) no change may be made in awards theretofore granted under the Stock Incentive Plan which would materially impair participants' rights without their consent; and (ii) no amendment to the Stock Incentive Plan shall be made without approval of the Company's shareholders if the effect of such amendment would be to (a) increase the number of shares reserved for issuance under the Stock Incentive Plan or (b) change the minimum purchase price. In any event, the Board may amend or revise the Stock

Incentive Plan to comply with applicable laws or governmental regulations. 18 22 U.S. FEDERAL INCOME TAX CONSEQUENCES The following discussion briefly summarizes the federal income tax consequences of the issuance and exercise of incentive stock options and non-qualified stock options to the participants and the Company. State and local tax consequences may differ. Incentive Stock Options. Generally, a participant will not recognize income on the grant or exercise of an incentive stock option. However, the difference between the exercise price and the fair market value of the stock on the date of exercise is an adjustment item for purposes of the alternative minimum tax. If a participant does not exercise an incentive stock option within certain specified periods after termination of employment, the participant will recognize ordinary income on the exercise of the an incentive stock option in the same manner as on the exercise of a non-qualified stock option, as described below. Non-Qualified Options. A participant generally is not required to recognize income on the grant of a non-qualified stock option. Instead, ordinary income generally is required to be recognized on the date the participant exercises the non-qualified stock option. In general, the amount of ordinary income required to be recognized is an amount equal to the amount by which the aggregate fair market value of the shares on the date of exercise exceeds the aggregate exercise price per share paid for such shares. Restricted Shares. Restricted Shares will be subject to a substantial risk of forfeiture for the period of time specified in the award. Unless a grantee of Restricted Shares makes an election under Section 83(b) of the Internal Revenue Code as described below, the grantee generally is not required to recognize ordinary income on the award of Restricted Shares. Instead, on the date the substantial risk of forfeiture lapses, the grantee will be required to recognize ordinary income in an amount equal to the fair market value of the shares on such date. If a grantee makes a Section 83(b) election to recognize ordinary income on the date the Restricted Shares are granted, the amount of ordinary income required to be recognized is an amount equal to the fair market value of the shares on the date of grant. In such case, the grantee will not be required to recognize additional ordinary income when the substantial risk of forfeiture lapses. Gain or Loss on Sale or Exchange of Shares. In general, gain or loss from the sale or exchange of Restricted Shares or shares acquired upon the exercise of incentive and non-qualified stock options will be treated as capital gain or loss, provided that the shares are held as capital assets at the time of the sale or exchange. However, if certain holding period requirements are not satisfied at the time of the sale or exchange of shares acquired upon the exercise of an incentive stock option (a "disqualifying disposition"), a participant may be required to recognize ordinary income upon such disposition. Deductibility by the Company. The Company generally is not allowed a deduction in connection with the grant or exercise of an incentive stock option. However, if a participant is required to recognize income as a result of a disqualifying disposition, the Company will be entitled to a deduction equal to the amount of ordinary income so recognized. In the case of a non-qualified stock option (including an incentive stock option that is treated as a non-qualified stock option as described above) or an award of Restricted Shares, at the same time the participant is required to recognize ordinary income, the Company will generally be allowed a deduction in an amount equal to the amount of ordinary income so recognized. Performance Based Compensation. Subject to certain exceptions, Section 162(m) of the Internal Revenue Code disallows federal income tax deductions for compensation paid by a publicly-held corporation to certain executives to the extent it exceeds \$1 million for the taxable year. If approved by the shareholders, the Stock Incentive Plan will allow the grant of awards that qualify under an exception to the deduction limit for "performance-based compensation." Parachute Payments. Where payments to certain employees that are contingent on a change of control exceed limits specified in the Internal Revenue Code, the employee generally is liable for a 20 percent excise tax on, and the corporation or other entity making the payment generally is not entitled to any deduction for, a specified portion of such payments. If grants of stock options are made the vesting of which is accelerated by a change in control of the Company, such accelerated vesting would be relevant in determining whether the excise tax and any deduction disallowance rules would be triggered with respect to certain of the Company's employees. 19 23 RECOMMENDATION The Board of Directors recommends a vote FOR approval of the Huttig Building Products, Inc. 1999 Stock Incentive Plan. Approval of the Stock Incentive Plan requires the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and entitled to vote at the meeting. PROPOSAL TO APPROVE EVA INCENTIVE COMPENSATION PLAN INTRODUCTION The Board of Directors of the Company has adopted the Huttig Building Products, Inc. EVA Incentive Compensation Plan to provide for awards of cash and stock to certain executive officers and general and regional managers. In 2000, 70 people participated in the EVA Plan. The Company is seeking shareholder approval of the EVA Plan to ensure the deductibility under Section 162(m) of the Internal Revenue Code by the Company of awards made thereunder. The EVA Plan is administered by the Compensation

Committee and provides for awards based on increases or decreases in economic value added ("EVA") during the year, both absolutely and compared to the prior year. Awards are generally uncapped to provide maximum incentive to create value and to balance negative penalties that can be incurred when EVA is reduced. The purpose of the EVA Plan is to maximize stockholder value by aligning management's interests with those of shareholders and rewarding management for sustainable and continuous improvement in the Company's business. PRINCIPAL PROVISIONS OF THE EVA INCENTIVE COMPENSATION PLAN Set forth below is a summary of the principal provisions of the EVA Plan, which summary is qualified in its entirety by reference to the complete text of the EVA Plan set forth at Appendix C to this Proxy Statement. GENERAL The EVA Plan will remain in effect until suspended or terminated by the Board. The Compensation Committee has the authority to designate the employees eligible to participate in the EVA Plan, to establish and adjust any EVA formula or calculation, to impose conditions and restrictions on awards as it deems appropriate and to take any other necessary or advisable steps in connection with the EVA Plan. For purposes of the EVA Plan, "EVA" is defined as the difference between the return on total capital invested in the business and the cost of capital, multiplied by total capital employed. The Compensation Committee has the authority to tailor particular EVA formulas to any specific business unit or units for which a participant is responsible. The key elements of the EVA formula applicable to any executive will be the cost of capital to the company, the return on capital, the amount of capital employed in the business unit, the net operating profit of the business unit after tax and the prior year's EVA. Awards are calculated on the basis of year-end results and may utilize both percentage change in EVA from the prior year and percentage of positive EVA, if any, in the current year. The Compensation Committee may adjust the EVA formulas, except that adjustments for executive officers subject to Section 162(m) of the Internal Revenue Code may only have a negative effect. No EVA award to any executive officer who is subject to the limitations of Section 162(m) of the Internal Revenue Code may exceed \$2,000,000 for any particular year. EVA AWARDS Each participant in the EVA Plan has an EVA account with a cash subaccount and a stock subaccount. At the beginning of each fiscal year, each participant is entitled to make an irrevocable election to either allocate his or her EVA award entirely to the cash subaccount or 50% to the cash subaccount and 50% to the stock subaccount. If a participant fails to make a valid election, 100% of the participant's EVA award is allocated to the participant's cash subaccount. After an EVA award for each participant is determined, the EVA award will be allocated in accordance with the participant's election; provided, however, that if the participant's EVA award for 20 24 a particular year is negative, the award will be debited solely to the participant's cash subaccount in proportion to the participant's allocation election. The Company will credit or debit interest on each cash subaccount as applicable each year. Each participant with a positive aggregate account balance will receive an annual payout of a specified percentage of his or her account, with the standard payout percentage being one-third (1/3) of such balance, reduced by the value of any shares of restricted stock vesting in the year of the payout. With respect to amounts allocated to a participant's stock subaccount, the stock subaccount will be credited with a number of shares of the Company's Common Stock equal to the dollar amount of such allocation divided by the fair market value (as defined in the EVA Plan) of the Company's Common Stock. No fractional shares will be credited; rather, any dollar amount of the participant's allocation representing a fractional amount of the per share fair market value of the Company's Common Stock will be credited to the participant's cash subaccount. Shares of Company Common Stock allocated to a participant's stock subaccount for a particular year will be issued as restricted stock issued under and generally subject to the provisions of the Stock Incentive Plan. Fifty percent (50%) of the restricted shares will vest on the first anniversary of the allocation date, and the remaining 50% will vest on the second anniversary of the allocation date. Negative EVA awards in any year will have no effect on any participant's stock subaccount or on the shares of restricted stock. A participant's entire cash subaccount balance will become payable and his or her restricted stock will fully vest upon normal retirement (age 65), death, disability or a change in control (as defined in the EVA Plan). If a participant leaves the Company or ceases to be eligible to participate in the EVA Plan, the treatment of his or her account balance depends on the circumstances involved. For instance, if the participant is terminated by the Company or voluntarily resigns, he or she would lose any cash subaccount balance and forfeit restricted shares. If the participant ceases to be eligible to participate in the EVA Plan, the cash subaccount balance would be paid out in two equal installments on the second and third succeeding EVA payout dates, while restricted shares would continue to vest. Conversely, if the participant's business unit were to be spun off by the Company, the participant would not receive a payout, but the cash subaccount balance would continue with the spun off company and all restricted shares would become fully vested. Lastly, if the participant were to be transferred to another business unit, the cash subaccount balance would transfer with the

participant, and restricted shares would continue to vest. If it is determined that any payment of an account by the Company to a participant by reason of a change in control is subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, the Company will make an additional cash payment to the participant such that after payment of all taxes, including any excise tax imposed on such payments, the participant will retain an amount equal to the excise tax on all the payments. **TERM; AMENDMENT** The Board may modify, suspend or terminate the EVA Plan at any time. **RECOMMENDATION** The Board of Directors recommends a vote FOR approval of the Huttig Building Products, Inc. EVA Incentive Compensation Plan. Approval of the EVA Plan requires the affirmative vote of the holders of a majority of the shares of common stock present in person as represented by proxy and entitled to vote at the meeting. **PLAN BENEFITS** The amount of any awards to be made under the EVA Plan or the Stock Incentive Plan are not determinable at this time. However, the following table sets forth, with respect to each group of persons identified therein, the number of options and restricted shares granted under the Stock Incentive Plan in 2000 and the amount of the EVA Awards made in 2000. For information regarding awards made in 2000 under the Stock Incentive Plan and 21 25 the EVA Plan to the Company's Chief Executive Officer and the other executive officers named in the Summary Compensation Table, please see "Executive Compensation" beginning on page 8 of this Proxy Statement.

NUMBER OF	AMOUNT OF	NUMBER OF	RESTRICTED	SHARES	EVA	AWARD
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-----	-----	All Current Executive Officers as a Group (9 persons).....	571,000	65,000		
\$1,403,200		All Current Non-Employee Directors as a Group (8 persons).....	100,000	-- --	Nominees	
		for Election as a Director: E. Thayer Bigelow, Jr.....	-- --	-- --	Richard S. Forte.....	-- -- -- Peter
		L. Young.....	-- -- --	-- -- --	Each Associate of any Director, Executive Officer or nominee.....	-- -- --
		All Current Employees, including all Current Officers who are not Executive Officers, as a Group (62 persons).....	84,500	\$2,540,620		

APPROVAL OF THE SELECTION OF AUDITORS The Board of Directors proposes and recommends that the shareholders approve the selection of the firm of Deloitte & Touche LLP as independent auditors for the Company for 2001. Deloitte & Touche LLP have been the independent auditors for the Company since 1979. Unless otherwise directed by the shareholders, proxies will be voted for approval of the selection of Deloitte & Touche LLP to audit the books and accounts of the Company for the current year. In accordance with the Company's practice, a member of the firm will attend the Annual Meeting, have an opportunity to make a statement if he or she desires to do so and to respond to appropriate questions which may be asked by shareholders. **AUDIT FEES** The aggregate fees of Deloitte & Touche LLP for professional services rendered for the audit of the Company's annual financial statements for 2000 and the reviews of the financial statements included in the Company's Forms 10-Q for 2000 were approximately \$205,000, which includes out-of-pocket expenses of approximately \$10,000. **ALL OTHER FEES** In addition to the audit services referred to above, Deloitte & Touche LLP provides general compliance and project specific tax services to the Company. The aggregate fees for the tax services rendered in 2000 were approximately \$600,000, which includes out-of-pocket expenses of approximately \$11,000. The Audit Committee of the Board of Directors did consider whether the provision of the tax services described above is compatible with maintaining the independence of Deloitte & Touche LLP. **MISCELLANEOUS Solicitation of Proxies.** The Company will bear all of the costs of the solicitation of proxies for use at the Annual Meeting. In addition to the use of the mails, proxies may be solicited by personal interview, telephone and fax by directors, officers and employees of the Company, who will undertake such activities without additional compensation. To aid in the solicitation of proxies, the Company has retained Corporate Investor Communications, Inc. which will receive a fee for its services of \$3,500 plus expenses. Banks, brokerage houses and other institutions, nominees and fiduciaries will be requested to forward the proxy materials to the beneficial owners of the Common Stock held of record by such persons and entities and will be reimbursed for their reasonable expenses in forwarding such material. 22 26 **Incorporation by Reference.** The Report on Executive Compensation on pages 10 through 12 of this Proxy Statement shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent that the Company specifically incorporates said report by reference and the report shall not otherwise be deemed filed under such Acts. **Next Annual Meeting; Shareholder Proposals.** The By-Laws provide that the Annual Meeting of the Shareholders of the Company will be held on the fourth Monday in April in each year unless otherwise determined by the Board of Directors. Appropriate proposals of security holders intended to be presented at the 2002 Annual Meeting must be received by the Company for inclusion in the Company's proxy statement and form of proxy relating to that meeting on or before November 19, 2001. In addition, the Company's

By-Laws provide that if security holders intend to nominate directors or present proposals at the 2002 Annual Meeting other than through inclusion of such proposals in the Company's proxy materials for that meeting, then the Company must receive notice of such nominations or proposals no earlier than January 23, 2002 and no later than February 22, 2002. If the Company does not receive notice by that date, then such proposals may not be presented at the 2002 Annual Meeting.

23 27 APPENDIX A HUTTIG BUILDING PRODUCTS, INC. AUDIT COMMITTEE CHARTER
COMPOSITION The Audit Committee shall be comprised of at least three directors, each of whom shall have no relationship to the Company that, in the opinion of the Board of Directors, may interfere with the exercise of their independence from management and the Company. Each Audit Committee member shall be financially literate, and at least one member shall have accounting or related financial management expertise, as such qualifications are interpreted by the Board of Directors in its business judgment. Subject to the annual appointment by the Board of Directors, the Audit Committee shall have the responsibility, authority and specific duties as described below. One of the members shall be appointed Committee Chairman by the other members of the Audit Committee.

RESPONSIBILITY The Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities as to accounting policies and financial reporting practices of Huttig Building Products, Inc. and its subsidiaries, the sufficiency of auditing relative thereto and the adequacy and effectiveness of the Company's internal controls. It is to be the Board's principal agent in assuring the independence of the Company's independent auditors, the integrity of management and the adequacy of disclosures to shareholders. The independent auditors are ultimately accountable to the Board of Directors and the Audit Committee, and the Audit Committee and the Board of Directors have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the independent auditors or to nominate the independent auditors to be proposed for shareholder approval. The Audit Committee also has responsibility for reviewing compliance with the Company's business ethics and conflict of interest policies. The Audit Committee is to provide an open avenue of communication among the Board of Directors, the independent auditors, internal auditors, and Huttig Building Products, Inc. management as their duties relate to accounting, financial reporting and controls. AUTHORITY The Audit Committee is granted the authority to investigate any matter or activity involving financial reporting, accounting, or internal controls of the Company, or any violations of the Company's business ethics or conflict of interest policies, and all employees shall be directed to cooperate with respect thereto as requested by members of the Committee. The Committee is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility. MEETINGS The Audit Committee is to meet at least four times each year and as many other times as the Committee deems necessary.

Members of the Audit Committee will strive to be present at all meetings. As necessary or desirable, the Chairman may request that members of management, the Director of Internal Audit and representatives of the independent auditors be present at meetings of the Committee. The Committee shall meet at least annually in separate executive sessions with management, the Director of Internal Audit and the independent auditors to discuss any matters that the Committee or each of these groups believe should be discussed privately. SPECIFIC DUTIES (1) Reviewing with Company's management, independent auditors and Director of Internal Audit, the adequacy and effectiveness of accounting and financial reporting systems and controls and compliance with applicable codes of conduct, laws, and regulations. The Committee should have familiarity with A-1 28 the accounting and reporting principles and practices applied by the Company in preparing financial statements. (2) Recommend to the Board of Directors annually the independent auditors to be selected to audit the financial statements of the Company. (3) Review, prior to the annual audit, the scope and general extent of the independent auditors' audit engagement. The independent auditors' fees are to be arranged with management and annually summarized for Committee review. The Committee's review should entail an understanding from the independent auditors of the factors considered in determining the audit scope, including: - Industry and business risk characteristics of the Company; - External reporting requirements; - Materiality of the various segments of the Company's consolidated and non-consolidated activities; - Quality of internal accounting controls; - Extent of involvement of internal audit in the audit examination; and - Other areas to be covered during the audit engagement. (4) Evaluate the independence and objectivity of the external audit function, including non-audit services provided by the independent auditors and any other relationships between the independent auditors and the Company. The Audit Committee is responsible for ensuring that the independent auditors submit on a periodic basis to the Audit Committee a formal written statement delineating all relationships between the auditors and the Company and the letter required by the Independence Standards Board Standard No.1, as such Standard may be modified or supplemented. The Audit Committee is responsible for actively engaging in a dialogue with the

independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and for recommending that the Board of Directors take appropriate action in response to the independent auditors' report to satisfy itself of the independent auditors' independence. (5) Review and discuss with management, and the independent auditors upon completion of their audit, the Company's audited annual financial statements and the independent auditor's opinion rendered with respect to such financial statements. This review and discussion is to encompass the Company's Annual Report to Shareholders and Form 10-K, including the financial statements and related notes, Management's Discussion and Analysis of Operations, financial statements schedules and supplemental disclosures required by generally accepted accounting principles and the Securities and Exchange Commission. (6) Discuss with the independent auditors the matters required to be discussed by generally accepted auditing standards, including SAS 61, as modified or supplemented, in order to provide the Audit Committee with additional information regarding the scope and results of the audit that may assist the Audit Committee in overseeing the financial reporting and disclosure process for which management is responsible. (7) Evaluate the cooperation received by the independent auditors during their audit engagement, including their access to all requested records, data and information. Also, elicit the comments of management regarding the effectiveness and responsiveness of the independent auditors. Inquire of the independent auditors whether there have been any disagreement with management, which if not satisfactorily resolved would have caused them to issue a non-standard report on the Company's financial statements. (8) Discuss with the independent auditors their judgements as to the quality of the accounting principles used in the financial statements and any matters that they or the Audit Committee believe should be discussed including those in their "letter of comments and recommendations." A-2 29 (9) Based on the review and discussions referred to in paragraphs (4) through (8), determining whether to recommend to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the most recent fiscal year for filing with the Securities and Exchange Commission. (10) Review and approve the report of the Audit Committee to be included in the Company's proxy statement. (11) Review and discuss with management and the independent auditors, upon completion of their interim review, the Company's quarterly financial statements required to be filed on Form 10-Q, sufficient to establish for the Committee members that in their business judgment the interim review was conducted by the independent auditors in compliance with generally accepted auditing standards and regulatory requirements. For purpose of this quarterly review, a quorum of two Audit Committee members shall be sufficient. (12) Review with the independent auditors their procedures and standards relating to the requirement under the U.S. federal securities laws that their audit include procedures designed to provide reasonable assurance of detecting illegal acts, and their related reporting obligations. (13) Review the internal audit function of the Company including its independence, authority and reporting obligations. Meet annually with the Director of Internal Audit and receive a report on the size, organization and work plans of the internal audit department and coordination of such plans with the independent auditors. Review any significant findings resulting from audits completed by the internal auditors. (14) Review periodically the adequacy of the Company's accounting, financial and auditing personnel resources. (15) Consult with management on the establishment and maintenance of an environment that promotes ethical behavior, including the establishment, communication and enforcement of codes of conduct to guard against dishonest, unethical or illegal activities. Review significant conflicts of interest involving directors or executive officers. (16) Review and evaluate periodically the Company's risk management policies in light of the Company's business strategy, capital strength, and overall risk tolerance. Evaluate on a periodic basis the Company's investment and derivatives risk management policies, including the internal system to review operational risks, procedures for derivatives investment and trading and safeguards to ensure compliance with procedures. (17) Review, with General Counsel, legal compliance matters and any legal matter that would have a significant impact on the Company's financial statements. (18) Review periodically the Company's tax policies and any pending audits or assessments. (19) Apprise the Board of Directors of significant developments in the course of performing the above duties. (20) Review and reassess the adequacy of this Charter on an annual basis and recommend to the Board of Directors any appropriate changes in this Charter or the duties of the Committee. A-3 30 APPENDIX B HUTTIG BUILDING PRODUCTS, INC. 1999 STOCK INCENTIVE PLAN 1. PURPOSE AND ADOPTION OF THE PLAN The purpose of the Huttig Building Products, Inc. 1999 Stock Incentive Plan (as the same may be amended from time to time, the "Plan") is (i) to attract and retain key employees of Huttig Building Products, Inc., a Delaware corporation (the "Company"), and its Subsidiaries (as defined below) who are and will be contributing to the success of the business; (ii) to motivate and reward key employees who have made significant contributions to the success of the

Company and encourage them to continue to give their best efforts to its future success; (iii) to provide competitive incentive compensation opportunities; and (iv) to further opportunities for stock ownership by such key employees in order to increase their proprietary interest in the Company and their personal interest in its continued success. The Plan has been approved by the Board of Directors of the Company (the "Board") and the stockholders of the Company to be effective as of the effective date of the distribution by Crane Co. to its stockholders of the Company's Common Stock (the "Effective Date"). The Plan shall remain in effect until terminated by action of the Board; provided, however, that no Incentive Stock Option (as defined below) may be granted hereunder after the tenth anniversary of the Effective Date.

2. DEFINITIONS For the purposes of this Plan, capitalized terms shall have the following meanings: (a) "Award" means any grant to a Participant of one or a combination of Non-Qualified Stock Options or Incentive Stock Options described in Section 6 and Restricted Shares described in Section 8. (b) "Award Agreement" means a written agreement between the Company and a Participant or a written notice from the Company to a Participant specifically setting forth the terms and conditions of an Award granted under the Plan. (c) "Beneficiary" means an individual, trust or estate who or which, by a written designation of the Participant filed with the Company or by operation of law, succeeds to the rights and obligations of the Participant under the Plan and an Award Agreement upon the Participant's death. (d) "Board" shall have the meaning given to such term in Section 1(b). (e) "Change in Control" means the first to occur of the following events after the Effective Date: (i) the first purchase of shares pursuant to a tender offer or exchange offer (other than a tender offer or exchange offer by the Company) for all or part of the Company's Common Stock or any securities convertible into such Common Stock, (ii) the receipt by the Company of a Schedule 13D or other advice indicating that a person is the "beneficial owner" (as that term is defined in Rule 13d-3 under the Exchange Act) of 20% or more of the Company's Common Stock calculated as provided in paragraph (d) of said Rule 13d-3, (iii) the date of approval by the stockholders of the Company of an agreement providing for any Merger of the Company in which the Company will not be the continuing or surviving corporation or pursuant to which shares of Common Stock of the Company would be converted into cash, securities or other property, other than a Merger of the Company in which the holders of Common Stock of the Company immediately prior to the Merger would have the same proportion of ownership of common stock of the surviving corporation immediately after the Merger, (iv) the date of the approval by the stockholders of the Company of any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company, (v) the adoption of any plan or proposal for the liquidation (but not a partial liquidation) or dissolution of the Company, (vi) the date upon which the individuals who constitute the Board as of the Effective Date (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to such date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least three-quarters of the directors comprising the Incumbent Board (other than an B-1 31 election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall, for purposes of this Plan, be considered as though such person were a member of the Incumbent Board. (f) "Code" means the Internal Revenue Code of 1986, as amended. References to a section of the Code include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes said section. (g) "Committee" means the Organization and Compensation Committee of the Board or such other committee composed of at least three members of the Board as may be designated by the Board from time to time. (h) "Company" shall have the meaning given to such term in Section 1. (i) "Common Stock" means Common Stock, par value \$.01 per share, of the Company. (j) "Date of Grant" means the date as of which the Committee grants an Award. If the Committee contemplates an immediate grant to a Participant, the Date of Grant shall be the date of the Committee's action. If the Committee contemplates a date on which the grant is to be made other than the date of the Committee's action, the Date of Grant shall be the date so contemplated and set forth in or determinable from the records of action of the Committee; provided, however, that the Date of Grant shall not precede the date of the Committee's action. (k) "Effective Date" shall have the meaning given to such term in Section 1. (l) "Exchange Act" means the Securities Exchange Act of 1934, as amended. (m) "Fair Market Value" means, as of any applicable date, for all purposes in this Plan, the average of the high and low sales prices of the Common Stock on the New York Stock Exchange-Composite Transactions Tape on the ten (10) consecutive trading days ending on that day, or if no sale of stock has been recorded on such day, then on the next preceding day on which a sale was so made. In the event the Common Stock is not admitted to trade on a securities

exchange, the Fair Market Value as of any given date shall be as determined in good faith by the Committee. (n) "Incentive Stock Option" means a stock option within the meaning of Section 422 of the Code. (o) "Merger" means any merger, reorganization, consolidation, share exchange, transfer of assets or other transaction having similar effect involving the Company. (p) "Non-Qualified Stock Option" means a stock option which is not an Incentive Stock Option. (q) "Options" means all Non-Qualified Stock Options and Incentive Stock Options granted at any time under the Plan. (r) "Participant" means a person designated to receive an Award under the Plan in accordance with Section 5. (s) "Permanent Disability" means a physical or mental disability or infirmity that prevents the performance of a Participant's services for the Company and its Subsidiaries lasting (or likely to last, based on competent medical evidence presented to the Committee) for a period of six months or longer. The Committee's reasoned and good faith judgment of Permanent Disability shall be final and shall be based on such competent medical evidence as shall be presented to it by such Participant or by any physician or group of physicians or other competent medical expert employed by the Participant or the Company to advise the Committee. (t) "Plan" shall have the meaning given to such term in Section 1(a). (u) "Purchase Price", with respect to Options, shall have the meaning set forth in Section 6(b). (v) "Restricted Shares" means Common Stock subject to restrictions imposed in connection with Awards granted under Section 8. B-2 32 (w) "Retirement" means a Participant's retirement at or after age 65. (x) "Subsidiary" means a subsidiary of the Company within the meaning of Section 424(f) of the Code. 3. ADMINISTRATION (a) This Plan shall be administered by the Committee; provided, however, if any member of the Committee does not meet the qualifications for an "outside director" established from time to time by Section 162(m) of the Code, and any proposed or future regulations thereunder, or the qualifications for a "non-employee director" established from time to time by rules or regulations of the Securities and Exchange Commission under Section 16 of the Exchange Act, the remaining members of the Committee (but not less than two) shall administer the Plan. The Committee shall have the sole discretionary authority to interpret the Plan, to establish and modify administrative rules for the Plan, to impose such conditions and restrictions on Awards as it determines appropriate, and to take such steps in connection with the Plan and Awards granted hereunder as it may deem necessary or advisable. No member of the Committee shall be eligible to participate in, and no person shall become a member of the Committee if within one year prior thereto he or she shall have been eligible to participate in this Plan or any other plan of the Company or its Subsidiaries (other than the Huttig Building Products, Inc. 1999 Non-Employee Director Restricted Stock Plan) entitling the participants therein to acquire stock, stock options, stock appreciation rights or restricted stock of the Company or its Subsidiaries. Decisions of the Committee in connection with the administration of the Plan shall be final, conclusive and binding upon all parties, including the Company, its stockholders and the Participants. (b) The Committee may employ attorneys, consultants, accountants or other persons and the Committee and the Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All usual and reasonable expenses of the Committee shall be paid by the Company. No Committee member shall receive compensation with respect to his or her services for the Committee except as may be authorized by the Board. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all employees who have received awards, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretations taken or made in good faith with respect to this Plan or Awards made hereunder, and all members of the Committee shall be fully indemnified and protected by the Company in respect of any such action, determination or interpretation. 4. SHARES (a) The total number of shares of Common Stock authorized to be issued under the Plan shall not exceed in the aggregate 7% of the issued and outstanding shares of Common Stock immediately following the Effective Date; provided that, if the number of issued and outstanding shares of Common Stock is increased after the Effective Date, the maximum number of shares of Common Stock for which Awards may be granted under the Plan shall be increased by 7% of such increase. Notwithstanding the foregoing provisions of this Section 4(a), the maximum number of shares of Common Stock that may be issued as Incentive Stock Options under the Plan shall be 2,000,000 shares. The number of shares available for issuance under the Plan shall be subject to adjustment in accordance with Section 9. The shares to be offered under the Plan shall be authorized and unissued shares of Common Stock, or issued shares of Common Stock which will have been reacquired by the Company, including shares purchased in the open market. (b) Subject to the provisions of Section 6(d), any shares subject to an Option granted under this Plan that expires or is terminated for any reason without having been exercised in full, shares of Common Stock forfeited as provided in Section 8(h) and shares of Common Stock subject to any Award that are otherwise surrendered by a Participant or terminated shall continue to be available

for future grants under this Plan. If any shares of Common Stock are withheld from those otherwise issuable or are tendered to the Company, by attestation or otherwise, in connection with the exercise of an Option, only the net number of shares of Common Stock issued as a result of such exercise shall be deemed delivered for purposes of determining the maximum number of shares available for delivery under the Plan. B-3 33 5. PARTICIPATION Participants in the Plan shall be such key employees of the Company and its Subsidiaries as the Committee, in its sole discretion, may designate from time to time. For purposes of the Plan, "key employees" shall mean officers as well as other employees (including officers and other employees who are also directors of the Company or any Subsidiary) designated by the Committee in its discretion upon the recommendation of management, but shall not include any employee who, assuming the full exercise of such Option, would own more than 10% of the combined voting power of all classes of stock of the Company or any Subsidiary. Subject to adjustment in accordance with Section 9, the maximum number of shares for which Awards may be granted under this Plan to any single individual in any calendar year shall not exceed 1% of the total number of outstanding shares of Common Stock as of the Date of Grant. Options under the Plan may be Incentive Stock Options within the meaning of Section 422 of the Code or Non-Qualified Stock Options. Awards granted hereunder shall be evidenced by Award Agreements in such form as the Committee shall approve, which Agreements shall comply with and be subject to the terms and conditions of this Plan. 6. GRANT AND EXERCISE OF STOCK OPTIONS (a) The purchase price of each share of Common Stock upon exercise of any Options granted under the Plan shall not be less than 100% of the Fair Market Value of the stock on the date the Options are granted (the "Purchase Price"). (b) Each Option granted under this Plan shall be exercisable in whole or in part (in lots of ten shares or any multiple thereof) from time to time beginning from the date the Option is granted, subject to the provision that an Option may not be exercised by the Participant, except as provided in Section 7, (i) more than 90 days after the termination of the Participant's employment by the Company or a Subsidiary or more than 10 years from the Date of Grant, whichever period is shorter, or (ii) prior to the expiration of one year from the Date of Grant; provided further, that, unless otherwise determined by the Committee, the Option may not be exercised in excess of 50% of the total shares subject to such Option during the second year after the Date of Grant, 75% during the third year, and 100% thereafter. (c) The Purchase Price of the shares purchased upon the exercise of an Option shall be paid in full at the time of exercise in cash or, in whole or in part, by tendering (either actually or by attestation) shares of Common Stock. The value of each share of Common Stock delivered in payment of all or part of the Purchase Price upon the exercise of an Option shall be the Fair Market Value of the Common Stock on the date the Option is exercised. Exercise of Options shall also be permitted, if approved by the Committee, in accordance with a cashless exercise program under which, if so instructed by a Participant, shares of Common Stock may be issued directly to the Participant's broker or dealer upon receipt of an irrevocable written notice of exercise from the Participant. (d) The Committee, upon such terms and conditions as it shall deem appropriate, may (but shall not be obligated to) authorize on behalf of the Company the acceptance of the surrender of the right to exercise an Option or a portion thereof (but only to the extent and in the amounts that such Option shall then be exercisable) and the payment by the Company therefore of an amount equal to the excess of the Fair Market Value on the date of surrender of the shares of Common Stock covered by such Option or portion thereof over the aggregate option price of such shares. Such payment shall be made in shares of Common Stock (valued at such Fair Market Value) or in cash, or partly in cash and partly in shares of Common Stock, as the Committee shall determine. The shares of Common Stock covered by any Option or portion thereof, as to which the right to exercise shall have been so surrendered, shall not again be available for the purposes of this Plan. (e) Each Option granted under this Plan shall not be transferable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable, during the Participant's lifetime, only by the Participant. Notwithstanding the foregoing, Non-Qualified Stock Options may be transferable, without payment of consideration, to immediate family members of the Participant or to trusts or partnerships for the benefit of such family members. B-4 34 (f) No Participant may be granted Incentive Stock Options under the Plan (or any other plans of the Company and its Subsidiaries) that would result in shares with an aggregate Fair Market Value (measured on the Date of Grant) of more than \$100,000 first becoming exercisable in any one calendar year. (g) The Company shall have the right to require a Participant to pay to the Company the cash amount of any taxes which the Company is required to withhold upon the exercise of an Option granted hereunder, provided that anything contained herein to the contrary notwithstanding, the Committee may, in accordance with such rules as it may adopt, accept shares of Common Stock received in connection with the exercise of the Option being taxed or otherwise previously acquired in satisfaction of any withholding requirements or up to the entire tax liability

arising from the exercise of such Option. (h) The Committee, in its sole discretion, shall have the right (but shall not in any case be obligated), exercisable at any time after the Date of Grant, to permit the exercise of any Option prior to the time such Option would otherwise become exercisable under the terms of the Award Agreement. (i) The Committee shall have the authority to specify, either at the time of grant of an Option or at a later date, that upon exercise of all or a portion of that Option (the "Original Option") a reload stock option ("Reload Option") shall be granted under specified conditions. A Reload Option shall entitle the Participant to purchase a number of shares equal to the shares delivered in payment of all or part of the exercise price of the Original Option pursuant to Section 6(c) plus the shares delivered or withheld to satisfy the tax liability associated with such exercise pursuant to Section 6(g). The specific terms and conditions applicable for Reload Options shall be determined by the Committee and shall be set forth in rules adopted by the Committee or in agreements or other documentation evidencing such Reload Options; provided, however, that (i) the exercise price of the Reload Option shall be the Fair Market Value of the Common Stock at the Date of Grant, (ii) the Reload Option shall not be exercisable, except as provided in Section 7, earlier than six months after its Date of Grant, and (iii) the expiration date of the Reload Option shall not be later than the expiration date of the Original Option.

7. EXERCISE OF OPTIONS UPON TERMINATION OF EMPLOYMENT (a) If a Participant shall retire or shall cease to be employed by the Company or by a Subsidiary by reason of Permanent Disability or after a Change in Control, all Options theretofore granted to such Participant, whether or not previously exercisable, may be exercised in whole or in part, and/or the Committee may authorize the acceptance of the surrender of the right to exercise such Options or any portion thereof as provided in Section 6(d), at any time within 90 days after such Retirement, termination by reason of Permanent Disability, or termination after a Change in Control, but not after the expiration of the term of the Option. (b) If a Participant shall die while employed by the Company or by a Subsidiary or within 90 days of the cessation or termination of such employment under circumstances described in Section 7(a), all Options theretofore granted to such Participant, whether or not previously exercisable, may be exercised in whole or in part, and/or the Committee may authorize the acceptance of the surrender of the right to exercise such Options or any portion thereof as provided in Section 6(d), by the estate of such Participant (or by a person who shall have acquired the right to exercise such Option by bequest or inheritance), at any time within one year after the death of such Participant but not after the expiration of the term of the Option. (c) If a Participant's employment is terminated for any reason other than death, disability or retirement or after a Change in Control, such Participant may exercise any Option in whole or in part, at any time within 90 days after such termination of employment, but only to the extent such Option is exercisable at the date of termination in accordance with Section 6(b). In no event may any Option be exercised after the expiration of the term of the Option.

8. GRANT OF RESTRICTED SHARES (a) The Committee may grant to any Participant an Award of such number of shares of Common Stock on such terms, conditions and restrictions, whether based on performance standards, periods of service, retention by the Participant of ownership of specified shares of Common Stock or other criteria, as the Committee shall establish. With respect to performance-based Awards of Restricted Shares intended to qualify for deductibility B-5 35 under the "performance-based" compensation exception contained in Section 162(m) of the Code, performance targets will include specified levels of one or more of the following (in absolute terms or relative to one or more other companies or indices): revenues, free cash flow, return on assets, operating income, return on investment, economic value added, return on stockholders' equity, stock price appreciation, total share return, earnings before interest, taxes, depreciation and amortization, earnings per share and/or growth in earnings per share. The terms of any Restricted Share Award granted under this Plan shall be set forth in an Award Agreement which shall contain provisions determined by the Committee and not inconsistent with this Plan. (b) As soon as practicable after the Date of Grant of a Restricted Share Award by the Committee, the Company shall cause to be transferred on the books of the Company or its agent, shares of Common Stock, registered on behalf of the Participant, evidencing the Restricted Shares covered by the Award, subject to forfeiture to the Company as of the Date of Grant if an Award Agreement with respect to the Restricted Shares covered by the Award is not duly executed by the Participant and timely returned to the Company. All shares of Common Stock covered by Awards under this Section 8 shall be subject to the restrictions, terms and conditions contained in the Plan and the applicable Award Agreements entered into by the appropriate Participants. Until the lapse or release of all restrictions applicable to an Award of Restricted Shares the share certificates representing such Restricted Shares may be held in custody by the Company, its designee, or, if the certificates bear a restrictive legend, by the Participant. Upon the lapse or release of all restrictions with respect to an Award as described in Section 8(e), one or more share certificates, registered in the name of the Participant, for an appropriate number of shares as

provided in Section 8(e), free of any restrictions set forth in the Plan and the related Award Agreement shall be delivered to the Participant. (c) Beginning on the Date of Grant of a Restricted Share Award and subject to execution of the related Award Agreement as provided in Section 8(b), and except as otherwise provided in such Award Agreement, the Participant shall become a stockholders of the Company with respect to all shares subject to the Award Agreement and shall have all of the rights of a stockholder, including, but not limited to, the right to vote such shares and the right to receive dividends; provided, however, that any shares of Common Stock or other securities distributed as a dividend or otherwise with respect to any Restricted Shares as to which the restrictions have not yet lapsed, shall be subject to the same restrictions as such Restricted Shares and held or restricted as provided in Section 8(b). (d) None of the Restricted Shares may be assigned or transferred (other than by will or the laws of descent and distribution or to an inter vivos trust with respect to which the Participant is treated as the owner under Sections 671 through 677 of the Code), pledged or sold prior to the lapse of the restrictions applicable thereto. (e) Upon expiration or earlier termination of the forfeiture period without a forfeiture and the satisfaction of or release from any other conditions prescribed by the Committee, or at such earlier time as provided under the provisions of Section 8(i), the restrictions applicable to the Restricted Shares shall lapse. As promptly as administratively feasible thereafter, subject to the requirements of Section 8(k), the Company shall deliver to the Participant or, in case of the Participant's death, to the Participant's Beneficiary, one or more share certificates for the appropriate number of shares of Common Stock, free of all such restrictions, except for any restrictions that may be imposed by law. (f) A Participant's Restricted Share Award shall not be contingent on any payment by or consideration from the Participant other than the rendering of services. (g) The Committee will have the discretion, as to any Restricted Share Award, to award a separate cash amount, payable to the Participant at the time when the forfeiture restrictions on the Restricted Shares lapse or at such earlier time as the Participant may elect to be taxed with respect to such Restricted Shares equal to (i) the federal income tax and the Section 4999 golden parachute excise tax, if any, payable with respect to the lapse of such restrictions or with respect to such election, divided by (ii) one (1) minus the total effective federal income and excise tax rate applicable as a result of the lapse of such restrictions or a result of such election. (h) Subject to Sections 8(i) and 8(j), Restricted Shares shall be forfeited and returned to the Company and all rights of the Participant with respect to such Restricted Shares shall terminate unless the Participant continues in the service of the Company or a Subsidiary until the expiration of the forfeiture period for such Restricted B-6 36 Shares and satisfies any and all other conditions set forth in the Award Agreement. The Committee shall determine the forfeiture period (which may, but need not, lapse in installments) and any other terms and conditions applicable with respect to any Restricted Share Award. (i) Notwithstanding anything contained in this Section 8 to the contrary, the Committee may, in its sole discretion, waive the forfeiture period and any other conditions set forth in any Award Agreement under appropriate circumstances (including the death, disability or Retirement of the Participant or a material change in circumstances arising after the date of an Award) and subject to such terms and conditions (including forfeiture of a proportionate number of the Restricted Shares) as the Committee shall deem appropriate. (j) Unless otherwise provided by the Committee in the applicable Award Agreement, in the event of a Change in Control, all restrictions applicable to the Restricted Share Award shall terminate fully and the Participant shall immediately have the right to the delivery of share certificates for such shares in accordance with Section 8(e). (k) The Company shall have the right to require a Participant to pay to the Company the cash amount of any taxes which the Company is required to withhold with respect to any amount payable and/or shares issuable under such Participant's Award. The Company may defer payment of cash or issuance of shares upon exercise or vesting of an Award unless indemnified to its satisfaction against any liability for any such tax. The amount of such withholding or tax payment shall be determined by the Committee and shall be payable by the Participant at such time as the Committee determines.

9. ADJUSTMENTS TO REFLECT CAPITAL CHANGES In the event that there is an increase in the number of issued shares of the Common Stock by reason of any stock dividend, stock split, recapitalization or other similar event, the total number of shares available for Awards under the Plan, the maximum number of shares for which Options may be granted to any single individual in any calendar year and the number of shares remaining subject to purchase under each outstanding Option shall be increased and the price per share of such outstanding Options shall be decreased, in proportion to such increase in issued shares. Conversely, in case the issued shares of Common Stock shall be combined into a smaller number of shares, the total number of shares available for Awards under the Plan, the maximum number of shares for which Options may be granted to any single individual in any calendar year and the number of shares remaining subject to purchase under each outstanding Option shall be decreased and the price per share of such outstanding

Options shall be increased, in proportion to such decrease in issued shares. In the event of any Merger, the Committee may make such adjustment in the shares available for Awards under the Plan, the maximum number of shares for which Options may be granted to any single individual in any calendar year and the shares subject to outstanding Awards and the price thereof, if applicable, as the Committee, in its sole discretion, deems appropriate. In the event of an exchange of Common Stock, or other securities of the Company convertible into Common Stock, for the stock or securities of another corporation, the Committee may, in its sole discretion, equitably substitute such new stock or securities for a portion or all of the shares of Common Stock subject to outstanding Awards.

10. AMENDMENT AND TERMINATION This Plan may be amended or terminated at any time by the Board except with respect to any Awards then outstanding, and any Award granted under this Plan may be terminated at any time with the consent of the Participant. The Board may make such changes in and additions to this Plan as it may deem proper and in the best interest of the Company; provided, however, that no such action shall, without the consent of the Participant, materially impair any Award theretofore granted under this Plan; and provided, further, that without the approval of the stockholders of the Company (i) the total number of shares that may be issued under this Plan shall not be increased, and (ii) the minimum purchase price shall not be changed. Notwithstanding the foregoing, the Board may amend or revise this Plan to comply with applicable laws or governmental regulations.

B-7 37 11. GENERAL PROVISIONS (a) Each Option granted under this Plan shall be evidenced by a written Award Agreement containing such terms and conditions as the Committee may require, and no person shall have any rights under any Award granted under this Plan unless and until such agreement has been executed and delivered by the Participant and the Company. (b) In the event of any conflict between the terms of this Plan and any provision of any Option Agreement, the terms of this Plan shall be controlling. (c) No Participant or other person shall have any claim of right to be granted an Award under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ of the Company or any of its Subsidiaries. Unless otherwise agreed by contract, the Company reserves the right to terminate its employment relationship with any person at any time and for any reason. (d) Income realized as a result of a grant or an exercise of any Award under this Plan shall not be included in the Participant's earnings for the purpose of any benefit plan in which the Participant may be enrolled or for which the Participant may become eligible unless otherwise specifically provided for in such plan. (e) The obligation of the Company to sell and deliver shares of Common Stock with respect to any Award granted hereunder shall be subject to, as deemed necessary or appropriate by counsel for the Company, (i) all applicable laws, rules and regulations and such approvals by any governmental agencies as may be required, including, without limitation, the effectiveness of a registration statement under the Securities Act of 1933, and (ii) the condition that such shares shall have been duly listed on such stock exchanges as the Common Stock is then listed. (f) Anything in this Plan to the contrary notwithstanding, it is expressly agreed and understood that if any one or more provisions of this Plan shall be illegal or invalid such illegality or invalidity shall not invalidate this Plan or any other provisions thereof, but this Plan shall be effective in all respects as though the illegal or invalid provisions had not been included. (g) All determinations made and actions taken pursuant to the Plan shall be governed by the laws of the State of Delaware, other than the conflict of laws provisions thereof, and construed in accordance therewith. * * * * * **B-8 38**

APPENDIX C HUTTIG BUILDING PRODUCTS, INC. EVA INCENTIVE COMPENSATION PLAN 1.

PURPOSE. Huttig Building Products, Inc., a Delaware corporation (the "Company"), has adopted an annual incentive compensation program based on the principles of Economic Value Added ("EVA") throughout the Company. The purpose of the EVA approach is to maximize stockholder value by aligning management's interests with those of stockholders and rewarding management for sustainable and continuous improvement in the business being managed. The Company has created this EVA Incentive Compensation Plan (the "Plan") for certain executive officers of the Company subject to the limitations of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and designated general managers and regional managers of the Company and its subsidiaries (collectively, the "Participants" and individually, the "Participant"). The Plan is intended to satisfy the specific requirements of Section 162(m) of the Code, as outlined in regulations issued by the Internal Revenue Service. This Plan shall become effective on December 16, 1999 (the "Effective Date"). This Plan is intended to be, and shall be operated as, a successor to Crane Co.'s EVA Incentive Compensation Plan (the "Prior Plan") with respect to the participation of employees of the Company who were participating in the Prior Plan prior to the Effective Date.

2.

ADMINISTRATION. The Plan will be administered by the Organization and Compensation Committee of the Board of Directors (the "Committee"). The Committee's decisions in the administration of the Plan shall be final and binding

on all parties. The Committee shall have the sole discretionary authority to interpret the Plan, to establish and modify administrative rules for the Plan, to designate the employees eligible to participate in the Plan, to establish and adjust any EVA formula or calculation as provided in Sections 3 and 4, to impose such conditions and restrictions on awards under the Plan as it determines appropriate, and to take such steps in connection with the Plan and awards made under the Plan as it may deem necessary or advisable. The Committee may employ attorneys, consultants, accountants or other persons and the Committee and the Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All usual and reasonable expenses of the Committee shall be paid by the Company. No Committee member shall receive compensation with respect to his or her services for the Committee except as may be authorized by the Board. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all employees who have received awards, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to this Plan or awards made hereunder, and all members of the Committee shall be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

3. DEFINITION OF EVA AND DESCRIPTION OF FORMULAE. EVA is defined as the difference between the return on total capital invested in the business and the cost of capital, multiplied by total capital employed ("EVA Calculation"). The Plan will be formula driven. The primary EVA formula shall be for the Company as a whole but particular EVA formulas may be tailored by the Committee to the size and unique characteristics of the business unit or units for which a specific executive is responsible. The key elements of the EVA formula applicable to any executive will be the Cost of Capital (generally the cost of capital to the Company), the Return on Capital, the Amount of Capital employed in the business unit, the net operating profit of the unit after tax, and the prior year's EVA. Awards will be calculated on the basis of year-end results. Formulas may utilize both a percentage of the change in the EVA of the Company or a business unit from the prior year, whether positive or negative, plus a percentage of the positive EVA, if any, in the current year; the EVA award may be calculated for the entire Company or an entire business unit and an executive may receive a C-1 39 percentage of a unit's EVA award. When an executive is responsible for more than one business unit, a formula may be based on a percentage of the aggregate EVA, positive or negative, of the units reporting to the executive or unit. The Committee has the discretion and authority to develop other EVA based formulae or goals for utilization pursuant to this Plan in future years. In any instance in which an executive participates in a unit EVA award in which a group of employees participates, the executive's percentage of the unit's EVA award will be specified.

4. PROCEDURE. Before the beginning of each fiscal year, the Committee will establish and set forth in writing the EVA formula applicable to each Participant for that year (including the percentage of any business unit EVA award in which he or she may participate). The Committee will retain discretion to revise formulas or a Participant's percentage participation in any unit EVA award if the Committee deems it appropriate as circumstances develop during the year; provided, however, in the case of an executive officer who is subject to the limitations of Section 162(m) of the Code, such revision may only have a negative effect on the amount of such executive officer's award for the year. As soon as is reasonably practicable after the year ends, the Committee will review the EVA calculation, calculate the EVA award for each Participant pursuant to the formula established at the beginning of the year (revised downward if the Committee so determines), and certify the EVA incentive compensation award for each Participant to the Board of Directors; provided, however, that no EVA award with respect to any executive officer who is subject to the limitations of Section 162(m) of the Code may exceed \$2,000,000 for any particular year.

5. ALLOCATIONS TO PARTICIPANT'S BANK ACCOUNTS UNDER THE PLAN.

a. **General.** Every year, the EVA award will be credited (if the award is positive) or debited (if the award is negative) to the Participant's account. Each Participant's account will consist of a cash subaccount and a stock subaccount. Each year's EVA award will be allocated to the Participant's account in accordance with the following provisions of this Section 5.

b. **Prior Plan Transfer.** If the Participant has an EVA account balance (either positive or negative) under the Prior Plan, such account balance will be transferred to the Plan and become the Participant's initial account balance under the Plan as of the Effective Date.

c. **1999 EVA Award Allocation.** As soon as administratively practicable after each Participant's EVA award is determined for the year ending December 31, 1999, each Participant's award will be credited or debited, as the case may be, to the Participant's account. Each Participant who has a positive EVA account balance (consisting of any amount transferred from the Prior Plan under Section 5(b) and the Participant's 1999 EVA award) may elect, on a one-time basis under procedures established by the Committee, to allocate his or her accumulated account balance as follows: (i) 100% to the cash subaccount; or (ii) 50% to the cash

subaccount and 50% to the stock subaccount. If a Participant fails to make a valid election for the allocation of his or her EVA account balance, 100% of the Participant's balance will be allocated to the Participant's cash subaccount. If the Participant elects to allocate 50% of his or her EVA account to a stock subaccount, the stock allocated to such account will be subject to the provisions of Section 7. d. Subsequent Elections and Allocations. At the beginning of each fiscal year commencing with fiscal year 2000, each Participant will be entitled to make an election, on a form provided by the Committee, with respect to the allocation of the EVA award that will be determined under the formula established under Section 3 for that fiscal year. The Participant may elect to allocate his or her EVA award for that year as follows: (i) 100% to the cash subaccount; or (ii) 50% to the cash subaccount and 50% to the stock subaccount.

C-2 40 If a Participant fails to make a valid election for the allocation of his or her EVA award for a particular year, 100% of the Participant's EVA award for that year will be allocated to the Participant's cash subaccount. After the EVA award for each Participant is determined, the EVA award will be allocated in accordance with the Participant's applicable election; provided, however, that if the Participant's EVA award for a particular year is negative, the award will be debited to the Participant's cash subaccount only and only in proportion to the Participant's allocation election. In other words, if the Participant's EVA award is negative and the Participant elected an allocation of 50% of the award to his or her cash subaccount and 50% to his or her stock subaccount, 50% of the negative EVA award will be debited to the Participant's cash subaccount and the remaining 50% will be ignored. If any of a Participant's EVA award is allocated to the Participant's stock subaccount under the Participant's election, the stock allocated to such account will be subject to the provisions of Section 7. e. Other Credits and Debits to Participants' Accounts. Each year, the Company will credit interest to a positive cash subaccount balance or debit interest on a negative cash subaccount balance at an appropriate money market rate.

6. ANNUAL PAYOUT. Each year, as soon as administratively practicable after each Participant's EVA award has been determined and allocated to his or her account under Section 5, each Participant with a positive cash subaccount balance will receive a payout of a specified percentage of his or her cash subaccount, with the standard payout percentage being one-third (1/3) of such balance. The remainder of the account balance will represent the Participant's "equity" in his or her EVA cash subaccount for future years. If EVA awards are or have been negative, a cash subaccount balance may be negative. In such case, the Participant will receive no payout under the Plan until the aggregate of subsequent EVA awards results in a positive cash subaccount balance.

7. PROVISIONS RELATING TO STOCK SUBACCOUNTS. a. Allocation of Stock to the Stock Subaccount. With respect to each amount allocated to a Participant's stock subaccount under Section 5(c) or Section 5(d), the Participant's stock subaccount will be credited with a number of shares of the Company's common stock equal to the dollar amount of such allocation (i.e., 50% of the Participant's account balance for allocations under Section 5(c) and 50% of the Participant's EVA award for a particular year for allocations under Section 5(d)) divided by the fair market value of the Company's common stock. For purposes of the Plan, "fair market value" means the average of the high and low trading prices of the Company's common stock on the New York Stock Exchange on the ten (10) consecutive trading days ending on the date of the allocation or the most recent prior date on which the Company's common stock was traded. No fractional shares will be credited to a Participant's stock subaccount; rather, any dollar amount of the Participant's allocation representing a fractional amount of the per share fair market value of the Company's common stock will be credited to the Participant's cash subaccount.

b. Restricted Stock. Shares of Company common stock allocated to a Participant's stock subaccount for a particular year will be issued as restricted stock issued under and generally subject to the provisions of the Company's 1999 Stock Incentive Plan. Pursuant to those provisions, each Participant will be required to enter into a restricted stock agreement with the Company with respect to stock allocated to his or her stock subaccount for a particular year.

c. Vesting of Restricted Stock. The restricted shares of Company common stock issued to a Participant under Section 7(b) will vest over a period of two years as follows: (i) 50% on the first anniversary of the allocation date; and (ii) the remaining 50% on the second anniversary of the allocation date.

d. Custody. During the period prior to the full vesting of any common stock allocated to a Participant's stock subaccount, the Company, or its designee, will hold the share certificates representing such common stock in custody for the benefit of the Participant.

C-3 41 e. Effect of Negative EVA Awards. In accordance with the provisions of Section 5(c), negative EVA awards in any year will have no effect on any Participant's stock subaccount or on the shares of restricted stock issued under this Section 7.

8. TREATMENT OF PARTICIPANT'S ACCOUNTS UPON TERMINATION OF EMPLOYMENT OR OTHER EVENTS. a. General. If a Participant leaves the Company by reason of termination or resignation or ceases to be eligible to participate in the Plan, his or her account balance will be treated as follows: EVENT DISPOSITION OF ACCOUNT

BALANCE/RESTRICTED SHARES ----- - Terminate/quit Lose cash subaccount balance; forfeit unvested restricted shares - Removed from plan/demotion Cash subaccount balance paid out in two equal installments on the second and third succeeding EVA payout dates; restricted shares continue to vest - Unit sold by Huttig Receive cash subaccount balance in cash; all restricted shares become fully vested - Retirement (1)/death/disability Receive cash subaccount balance in cash; all restricted shares become fully vested - Unit spun off No payout; cash subaccount balance continued with spun off company; all restricted shares become fully vested - Huttig acquired Receive cash subaccount balance in cash; all restricted shares become fully vested - Transfer to another business unit Cash subaccount balance transfers with executive; restricted shares continue to vest ----- (1) Retirement is defined as normal retirement -- age 65. b. Acceleration of Distribution. The Participant's entire cash subaccount balance will become payable and his or her restricted stock will fully vest upon normal retirement (age 65), death, or disability, or a change-in-control. (The Committee will retain the discretion to pay the entire account balance upon early retirement.) c. Definition of Change in Control. For purposes of the Plan, the term "change in control" means (i) the first purchase of shares pursuant to a tender offer or exchange offer (other than a tender offer or exchange offer by the Company) for all or part of the Company's Common Stock or any securities convertible into such Common Stock, (ii) the receipt by the Company of a Schedule 13D or other advice indicating that a person is the "beneficial owner" (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), of 20% or more of the Company's Common Stock calculated as provided in paragraph (d) of said Rule 13d-3, (iii) the date of approval by stockholders of the Company of an agreement providing for any consolidation or merger of the Company in which the Company will not be the continuing or surviving corporation or pursuant to which shares of Common Stock of the Company would be converted into cash, securities or other property, other than a merger of the Company in which the holders of Common Stock of the Company immediately prior to the merger would have the same proportion or ownership of Common Stock of the surviving corporation immediately after the merger, (iv) the date of the approval by stockholders of the Company of any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Company or (v) the adoption of any plan or proposal for the liquidation (but not a partial liquidation) or dissolution of the Company or (vi) individuals who, as of the Effective Date, constituted the Board of Directors of the Company (the "Board") generally and as of the date hereof (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, C-4 42 was approved by a vote of at least three-quarters of the directors comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board. d. Tax Gross-Up. If it is determined that any payment of an account by the Company to a Participant by reason of a change-in-control is subject to the excise tax imposed by Section 4999 of the Code, the Company shall make additional cash payments to the Participant such that after payment of all taxes including any excise tax imposed on such payments, the Participant will retain an amount equal to the excise tax on all the payments. 9. PLAN AMENDMENT AND TERMINATION. The Board of Directors may modify, suspend or terminate the Plan at any time. C-5 43 Please mark your votes as indicated in [X] this example THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES AND FOR PROPOSALS 2, 3 and 4. This Proxy, when properly executed, will be voted in the manner directed herein. If no direction is made, this proxy will be voted FOR election of directors and FOR proposals 2, 3 and 4. 1. Election of Directors NOMINEES: 01 E. Thayer Bigelow, Jr. FOR all nominees listed WITHHOLD AUTHORITY to 02 Richard S. Forte to the right (except as vote for all nominees 03 Peter L. Young marked to the contrary) listed to the right [] [] For, except vote withheld from the following nominee(s): ----- 2. Approval of Deloitte & Touche LLP as independent auditors for the Company for 2001. FOR AGAINST ABSTAIN [] [] [] 3. Approval of the Huttig Building Products, Inc. 1999 Stock Incentive Plan. FOR AGAINST ABSTAIN [] [] [] 4. Approval of the Huttig Building Products, Inc. EVA Incentive Compensation Plan. FOR AGAINST ABSTAIN [] [] [] The signer hereby revokes all proxies heretofore given by the signer to vote at said meeting or any adjournments thereof DATE _____, 2001 _____

SIGNATURE(S) Note: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

----- * FOLD AND DETACH HERE * Vote by Telephone or Mail 24 Hours a Day, 7 Days a Week Your telephone vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card. TELEPHONE 1-800-840-1208 MAIL Use any touch-tone telephone to Mark, sign and date vote your proxy. Have your proxy your proxy card card in hand when you call. You OR and will be prompted to enter your return it in the control number, located in the box enclosed postage-paid below, and then follow the envelope. directions given. If you vote your proxy by telephone, you do NOT need to mail back your proxy card. 44 PROXY HUTTIG BUILDING PRODUCTS, INC. ANNUAL MEETING OF SHAREHOLDERS APRIL 23, 2001 THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS The undersigned does hereby appoint and constitute Barry J. Kulpa and Kenneth E. Thompson, and each of them, true and lawful agents and proxies of the undersigned, with power of substitution, and hereby authorizes each of them to vote, as directed on the reverse side of this card, or, if not so directed, in accordance with the Board of Directors' recommendation, all shares of Huttig Building Products, Inc. held of record by the undersigned at the close of business on February 23, 2001 at the Annual Meeting of Shareholders of Huttig Building Products, Inc. to be held in the Grove II Meeting Room at the Westin Stamford Hotel, One First Stamford Place, Stamford, Connecticut, on Monday, April 23, 2001 at 1:00 p.m., Eastern Daylight Time, or at any adjournment thereof with all the powers the undersigned would possess if then and there personally present, and to vote, in their discretion, upon such other matters as may come before said meeting. You are encouraged to specify your choices by marking the appropriate boxes (SEE REVERSE SIDE), but you need not mark any boxes if you wish to vote in accordance with the Board of Directors' recommendations. The proxies cannot vote your shares unless you sign and return this card or use the toll-free telephone number on the reverse side. SEE REVERSE SIDE

----- * FOLD AND DETACH HERE * [HUTTIG Building Products LOGO] Our Mission: To grow our business as a team by providing the construction industry with differentiated building products and exceptional service. [PREMDOR LOGO] [DUPONT LOGO] [TYVEK LOGO] [HomeWrap LOGO] [L.J. Smith Stair Systems LOGO] [Owens Corning LOGO] [Weather Shield LOGO] [SIMPSON LOGO] [THERMA TRU Doors LOGO] [Celotex LOGO] [Strong-Tie Connectors LOGO]