

CoreSite Realty Corp
Form 4
July 31, 2015

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Ray Thomas M.

2. Issuer Name and Ticker or Trading Symbol
CoreSite Realty Corp [COR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O CORESITE REALTY CORPORATION, 1001 17TH STREET, SUITE 500

3. Date of Earliest Transaction (Month/Day/Year)
07/29/2015

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

(Street)
DENVER, CO 80202

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	07/29/2015		M		56,250	A	\$ 23.99
Common Stock	07/29/2015		M		30,091	A	\$ 32.4
Common Stock	07/29/2015		F(1)		65,162	D	\$ 49.78
Common Stock							2,000
						I	By family trust ⁽²⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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- (2) The reporting person is a co-trustee of the family trust.
- (3) The stock options vest and become exercisable in four equal annual installments beginning on April 5, 2013, provided that the reporting person remains in continuous service with the issuer as of each vesting date.
- (4) The stock options vest and become exercisable in four equal annual installments beginning on February 28, 2014, provided that the reporting person remains in continuous service with the issuer as of each vesting date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 100,000 150,000 100,000 153,327

Mr. Dobbins

12/15/2008	12/6/2008	70,875	236,250	N/A	15,000	100,000	150,000	100,000
153,327								

Mr. Dickinson

12/15/2008	12/6/2008	65,363	217,875	N/A	10,500	70,000	105,000	105,000
142,333								

Mr. Robeson

12/15/2008	12/6/2008	61,875	206,250	N/A	10,500	70,000	105,000	105,000
142,333								

Mr. Fischer

12/15/2008	12/6/2008	65,363	217,875	N/A	10,500	70,000	105,000	105,000
142,333								

- (a) Represents threshold and target amounts payable under NCI's Bonus Program which is earned during Fiscal 2009. There is no maximum payout under the Bonus Program. There were no actual payouts with respect to Fiscal 2009 under NCI's Bonus Program. See Compensation Discussion & Analysis Annual Bonus.
- (b) Represents the threshold, target and maximum value of each executive's variable portion of their restricted stock award opportunity, as established in advance by the Compensation Committee. The actual number of shares awarded equals the dollar value of the award divided by the closing sale price of NCI's Common Stock on the date of grant, or if the date of grant is not a trading day, on the last trading day prior to the date of grant. This award vested on the consummation of the Equity Investment and is reflected in the Actual Payments Made on the Change of Control Table. Each recipient of a restricted stock award is required to pay NCI an amount equal to the aggregate par value (\$0.01 per share) of the award at the date of grant.
- (c) Represents the fixed portion of their restricted stock award opportunity which also vested on the consummation of the Equity Investment and is reflected in the Actual Payments Made on the Change of Control Table.

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- (d) Except as noted below with respect to Mr. Chambers, the amounts in this column represent the grant date fair value of 100% of the awards approved on December 6, 2008. However, because the number of shares of Common Stock remaining available for grant under the Incentive Plan was insufficient to cover the full payout, 75% of the award was granted on December 15, 2008 (the maximum allowable number of shares available under the Incentive Plan as of such date). The remaining 25% of this award was granted on October 15, 2009. Mr. Chambers waived his right to receive the remaining 25% of his October 15, 2009 grant of restricted stock.. See Compensation Discussion & Analysis Long-Term Incentive Compensation Prior to the Equity Investment.

Narrative to the Summary Compensation Table and Grants of Plan Based Awards Table

The consummation of the Equity Investment on October 20, 2009 constituted a change of control, as applicable, for purposes of our Incentive Plan. As such, all outstanding and unvested stock options vested in full on October 20, 2009 and, except for the 2004 Long-Term Restricted Stock Awards granted to Messrs. Chambers, Dobbins and Dickinson, all restricted shares of stock vested in full on October 20, 2009, including the grants made to the Named Executive Officers on December 15, 2008 and October 15, 2009.

In addition to the foregoing, in connection with the Equity Investment, the Investment Agreement required that the Named Executive Officers' employment agreements be amended, effective as of October 20, 2009. In general, the amendment agreements modify the "good reason" definition in each executive's employment agreement. In addition, the amendment agreement for Mr. Chambers revises the Chambers' employment agreement to provide that he will be entitled to cash severance equal to the greater of (1) two times his base salary and (2) his base salary through April 30, 2014, upon a termination of his employment without "cause" or for "good reason." (Prior to this amendment, Mr. Chambers was entitled to receive his base salary through April 30, 2014 upon a termination under certain circumstances.)

The amendment agreements required each of Messrs. Chambers, Dobbins and Dickinson to waive his right to accelerated vesting of 64,516, 25,000 and 25,000 restricted shares, respectively, as a result of the Equity Investment. These restricted shares will continue to vest in accordance with their terms or, if earlier, upon a termination of the executive's employment without "cause" or resignation for "good reason."

Effective as of October 26, 2009, Mr. Fischer resigned his position as President of the Robertson-Ceco Division. Mr. Fischer experienced a qualifying termination under his employment agreement and, upon his execution and non-revocation of a release of claims against NCI, Mr. Fischer received his severance entitlement pursuant to his employment agreement of \$597,755.

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Except for the 2004 Long-Term Restricted Stock Awards held by Messrs. Chambers, Dobbins and Dickinson, all outstanding equity vested in connection with the consummation of the Equity Investment. The following table sets forth information concerning unexercised stock options and unvested restricted stock held by each of our Named Executive Officers as of November 1, 2009:

Name	Option Awards			Grant Date	Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Exercise Price (\$)	Option Expiration Date		Number of Shares or Units of Stock That Have Not Vested (#) (a)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (b)
Mr. Chambers	1,500	18.30	5/29/13	4/26/2004	64,516	125,806
	150,000	31.00	4/26/14			
Mr. Johnson	-0-	N/A	N/A	N/A	-0-	-0-
Mr. Dobbins	4,000	16.50	1/20/10	8/26/2004	25,000	48,750
	2,222	18.00	12/15/10			
	2,614	15.30	6/15/11			
	5,281	15.15	12/15/11			
	2,286	17.50	6/15/12			
	2,907	20.64	12/15/12			
	3,311	18.12	6/15/13			
	2,455	24.44	12/15/13			
	1,988	30.18	6/15/14			
	1,639	36.62	12/15/14			
	1,808	33.19	6/15/15			
	1,364	44.00	12/15/15			
Mr. Dickinson	858	17.50	6/15/12			
	727	20.64	12/15/12			
	1,656	18.12	6/15/13			
	1,842	24.44	12/15/13			
	1,988	30.18	6/15/14			
	1,639	36.62	12/15/14			
	1,808	33.19	6/15/15			
	1,364	44.00	12/15/15			
	243	20.64	12/15/12	N/A	-0-	-0-
Mr. Robeson	276	18.12	6/15/13			
	409	24.44	12/15/13			
	332	30.18	6/15/14			

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	410	36.62	12/15/14			
	453	33.19	6/16/15			
	909	44.00	12/15/15			
Mr. Fischer(c)	10,000	21.20	11/27/09	N/A	-0-	-0-
	3,429	17.50	11/27/09			
	2,907	20.64	11/27/09			
	3,311	18.12	11/27/09			
	2,455	24.44	11/27/09			
	1,988	30.18	11/27/09			
	1,639	36.62	11/27/09			
	1,808	33.19	11/27/09			
	1,364	44.00	11/27/09			

(a) Represents the special 2004 Long-Term Restricted Stock Awards. These awards vest upon retirement at or after age 65 or if earlier, upon a termination without cause or resignation for good reason. See

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Compensation Discussion & Analysis Long-Term Incentive Compensation-Prior to the Equity Investment.

- (b) This column represents the closing price of our Common Stock on October 30, 2009, the last business day of Fiscal 2009, of \$1.96 multiplied by the number of shares of restricted stock less the par value of the shares (\$0.01 per share) paid by the grantee.
- (c) All of Mr. Fischer's options expired thirty (30) days after his resignation from employment with the Company, in accordance with the terms of the Incentive Plan.

Option Exercises and Stock Vested

The following table sets forth information concerning the vesting of restricted stock of each of our Named Executive Officers during Fiscal 2009 (no options were exercised during Fiscal 2009):

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) (a)
Mr. Chambers	60,135	253,611
Mr. Johnson	29,197	108,463
Mr. Dobbins	27,615	96,388
Mr. Dickinson	26,199	92,848
Mr. Robeson	25,781	90,083
Mr. Fischer	26,199	92,848

- (a) This column represents the market price on the vesting date multiplied by the number of shares of restricted stock, less the par value of shares (\$0.01 per share) paid by the grantee.

Nonqualified Deferred Compensation

The following table sets forth information concerning nonqualified deferred compensation benefits of each of our Named Executive Officers during Fiscal 2009:

Name	Executive Contributions in Last FY (\$ (a))	Registrant Contributions in Last FY (\$ (b))	Aggregate Gains in Last FY (\$)	Aggregate Withdrawals/ Distributions (c) (\$)	Aggregate Balance at Last FY (d) (\$)
Mr. Chambers	241,802	-0-	146,623	-0-	771,847
Mr. Johnson	71,723	-0-	33,725	-0-	182,553
Mr. Dobbins	194,357	-0-	99,269	437,029	-0-
Mr. Dickinson	70,648	-0-	42,380	196,491	-0-
Mr. Robeson	135,652	-0-	58,014	268,638	-0-
Mr. Fischer	186,502	-0-	34,919	-0-	334,459

- (a) Executive contributions in Fiscal 2009 are included in such executive's salary and bonus amounts, as applicable, as reported in the Summary Compensation Table.
- (b) Registrant contributions in Fiscal 2009 are included in all other compensation in the Summary Compensation Table.
- (c) Messrs. Dobbins, Dickinson and Robeson elected to receive a distribution of their account balances upon a change of control. A change in control occurred on the consummation of the Equity Investment on October 20, 2009. These distributions are reflected in the Aggregate Withdrawals/Distributions column. See Compensation Discussion & Analysis Change of Control.
- (d) Of the totals in the Aggregate Balance at Last FY column, the following amounts were reported as compensation in the Summary Compensation Table of our proxy statements in previous years:

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Mr. Chambers, \$383,422, Mr. Johnson, \$77,105, Mr. Dobbins, \$143,403, Mr. Dickinson, \$83,463, Mr. Robeson, \$74,972 and Mr. Fischer, \$113,038.

See Compensation Discussion & Analysis – Deferred Compensation Plan for a description of our Deferred Compensation Plan.

Employment Agreements

Chambers Employment Agreement. On April 12, 2004 we entered into a ten-year employment agreement with Mr. Chambers. The agreement provided for Mr. Chambers to receive: (i) a base salary of not less than \$400,000 per year; (ii) an annual bonus calculated pursuant to the terms of our existing bonus program, with Mr. Chambers being considered a Level I participant for purposes thereof; (iii) a lump sum payment of \$250,000 payable upon commencement of Mr. Chambers' employment in consideration for sums he would have been entitled to but forfeited upon his termination of his employment with his prior employer; (iv) a grant under the Incentive Plan of 200,000 nonqualified options to purchase our Common Stock at an exercise price of \$31.00 per share, subject to the terms and conditions set forth in a separate Nonqualified Stock Option Agreement; (v) the right to receive semi-annual grants of additional options to purchase our Common Stock as a Level SE1 participant under the Incentive Plan in the discretion of the compensation committee of our board of directors; (vi) a grant of 50,000 shares of our Common Stock under the Incentive Plan pursuant to the terms of a separate Restricted Stock Agreement; (vii) a special long-term restricted stock award of a number of shares of our Common Stock having an aggregate fair market value of approximately \$2 million, subject to the terms of a separate Restricted Stock Agreement; (viii) health insurance and other benefits available to other members of senior management as well as a car allowance plus reimbursement for automobile insurance and mileage incurred which is related to business use; and (ix) four weeks paid vacation per year.

The employment agreement also provides for certain payments to be made upon the termination of Mr. Chambers' employment. If Mr. Chambers is terminated for cause or resigns without good reason (each as defined under the employment agreement), then he will be entitled to receive only salary and benefits earned by him or accrued for his account through the date of his termination. Prior to the consummation of the Equity Investment, if Mr. Chambers was terminated without cause or resigned for good reason, he would have continued to receive his base salary through April 30, 2014. In connection with the Equity Investment, the Investment Agreement required that Mr. Chambers' employment agreement be amended to modify the definition of good reason; and to provide that, upon his termination without cause or for good reason, Mr. Chambers will be entitled to cash severance equal to the greater (i) two times his base salary and (ii) his base salary through April 30, 2014. See Compensation Discussion & Analysis-Other Compensation – Termination and Change of Control Agreements.

Mr. Chambers is subject to certain confidentiality obligations during and after his employment with us. In addition, Mr. Chambers is subject to certain noncompetition and nonsolicitation provisions for a period equal to three years following the later of (i) the date of his termination of employment with us, and (ii) the end of the period during which Mr. Chambers is entitled to receive compensation payments from us under the employment agreement.

Long-Term Restricted Stock Grants. Several of our executive officers have received special long-term restricted stock awards under the Incentive Plan. The agreements for those awards provide that each such grantee has the right to vote the shares and to receive dividends paid by us, whether in cash or stock, but may not transfer the shares until they are vested. In connection with the Equity Investment, the Investment Agreement required that these agreements be amended to provide that the shares of restricted stock will not vest in connection with the Equity Investment. The shares of restricted stock will continue to vest when the grantee retires from his employment at or after attaining age 65. The shares of restricted stock will vest immediately if the grantee dies or becomes disabled while employed, is terminated without cause or resigns for good reason (each as defined under the agreement). The grantee will forfeit the

shares of restricted stock if such grantee's employment is terminated for any other reason, including voluntary termination or resignation without good reason (as defined under the agreement) or termination of employment with cause. In addition, each grantee must comply with a covenant not to compete for the five years immediately following his receipt of any vested shares under his restricted stock award. If the grantee breaches his covenant not to compete, the grantee must either return the shares granted to him pursuant to the special long-term grant, if he still owns them, or

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pay NCI the then current market value of the shares if he does not then own them. For more information regarding the special long-term restricted stock grants, see NCI's proxy statement for the fiscal year ended November 2, 2008, Compensation Discussion & Analysis Long-Term Incentive Compensation-Long-Term Restricted Stock Grants and Executive Compensation Outstanding Equity Awards at Fiscal Year-End.

Employment Agreements for Executive Officers. In fiscal 2007, we also adopted employment agreements for each executive officer who did not already have a change of control benefit by virtue of a long-term restricted stock award or other agreement that provided benefits upon a change of control. On March 12, 2009, we entered into similar employment agreements with Messrs. Dobbins and Dickinson. See Compensation Discussion & Analysis Other Compensation Termination and Change of Control Agreements. Pursuant to each of these agreements, we must pay each executive officer party to such an agreement, a base salary at the current annualized rate. Each executive officer party to an employment agreement is also entitled to participate in our Bonus Program. Pursuant to these agreements, our executive officers serve in an at-will capacity and we may terminate employment at any time with or without cause. If employment is terminated for any reason other than termination in connection with a change in control, the executive officer will be entitled to receive the portion of such officer's earned annual base salary through the date of termination and any bonus to which such officer is entitled pursuant to the Bonus Program. Following a change in control or a potential change in control, the executive officer is entitled to receive two times his or her annual base salary and medical and dental coverage for a period of up to 18 months. Each executive officer is further bound by a covenant not to compete with us for the term of his or her employment and, in the event such executive officer receives a change in control payment, for a period of two (2) years following such executive officer's termination. The Investment Agreement required that these agreements be amended, effective as of October 20, 2009, to modify the definition of "good reason." See Compensation Discussion & Analysis-Change of Control.

Actual Payments Made on the Change of Control

Effective on the consummation of the Equity Investment on October 20, 2009, NCI experienced a change of control for purposes of the Incentive Plan and the DCP. The following table sets forth the actual amounts paid to each Named Executive Officer and the value of any benefits that vested in connection with such change of control.

Name	No. of Restricted Shares Vested	Value of Restricted Stock Vested (a) (\$)	No. of Options Vested (b) (#)	Deferred Compensation Plan Payments (c) (\$)	Deferred Compensation Plan Vesting Only (d) (\$)
Mr. Chambers	51,423	113,131	-0-	-0-	24,056
Mr. Johnson	26,125	57,475	-0-	-0-	18,752
Mr. Dobbins	25,404	55,889	341	437,029	-0-
Mr. Dickinson	23,988	52,773	341	196,491	-0-
Mr. Robeson	23,709	52,160	228	268,638	-0-
Mr. Fischer	23,988	52,773	341	-0-	-0-

(a) Represents the numbers of shares of restricted stock that vested on October 20, 2009, multiplied by the price paid per share on October 20, 2009 of \$2.21, less the par value of the shares (\$0.01 per share) paid by each executive.

(b) Represents the number of options that vested on October 20, 2009, each with an exercise price of \$44.00 per share.

- (c) Messrs. Dobbins, Dickinson and Robeson were the only Named Executive Officers who elected to have their deferred compensation plan account balances paid out on a change of control. See Compensation Discussion & Analysis Change of Control.
- (d) Represents the amount that became vested in the NCI Restoration Matching accounts of these executives on October 20, 2009. See Compensation Discussion & Analysis Change of Control.

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The following table estimates the value of the termination payments and benefits that each of our Named Executive Officers (other than Mr. Fischer) would receive if his or her employment terminated or a change of control occurred on October 30, 2009 (the last business day of Fiscal 2009) under the circumstances shown and making the indicated assumptions. With respect to Mr. Fischer, the following table shows the actual amounts paid to him on November 23, 2009, in connection with his termination of employment, effective as of October 26, 2009. The table excludes (i) amounts accrued through Fiscal 2009 year-end that would be paid in the normal course of continued employment, such as accrued but unpaid salary, (ii) benefits generally available to all of our salaried employees, (iii) stock options as the strike price was significantly below the stock price on October 30, 2009, and (iv) the actual amounts paid out in connection with the consummation of the Equity Investment. See Actual Payments Made on the Change of Control.

Name	Benefit	Change of Control (a) (\$)	Termination for Cause (\$)	Termination Without Cause or by Executive for Good Reason (\$)	Termination by Executive Without Good Reason (\$)	Retirement or Disability (\$)	Death (\$)
C. Chambers	Severance Payment(b)	3,375,000	None	3,375,000	None	None	None
	Accelerated Stock Vesting(c)(d)	125,806	None	125,806	None	125,806	125,806
	Life Insurance(e)	None	None	None	None	None	100,000
D. Johnson	Life Insurance(e)	None	None	None	None	None	100,000
	Change of Control Employment Agreement(f)	678,463	None	None	None	None	None
E. Dobbins	Accelerated Stock Vesting(c)(d)	48,750	None	48,750	None	48,750	48,750
	Life Insurance(e)	None	None	None	None	None	100,000
	Change of Control Employment Agreement(f)	644,463	None	None	None	None	None
	Accelerated Stock Vesting(c)(d)	48,750	None	48,750	None	48,750	48,750
F. Dickinson	Life Insurance(e)	None	None	None	None	None	100,000
	Change of Control Employment Agreement(f)	595,463	None	None	None	None	None
	Life Insurance(e)	None	None	None	None	None	100,000
G. Robeson	Change of Control Employment Agreement(f)	595,463	None	None	None	None	None
	Life Insurance(e)	None	None	None	None	None	100,000
H. Fischer	Change of Control Employment Agreement(f)	595,463	None	None	None	None	None
	Life Insurance(e)	None	None	None	None	None	100,000
	Change of Control Employment Agreement(f)	597,755	None	None	None	None	None

(a) Payable upon termination without cause or for good reason following a change in control.

(b)

Severance payment under Mr. Chambers' employment agreement. Upon a change of control or upon a termination without cause or resignation for good reason, Mr. Chambers will receive cash severance equal to the greater of (1) two times his base salary and (2) his then-current salary paid annually for the remaining term of the agreement (4.5 years at November 1, 2009). See Employment Agreements Chambers Employment Agreement.

- (c) Based upon the closing price per share of NCI's Common Stock on the New York Stock Exchange on October 30, 2009 of \$1.96, multiplied by the number of shares of restricted stock that would vest upon occurrence of the event indicated on October 30, 2009, less the par value of the shares (\$0.01 per share) paid by the executive. The executive officer is required to forfeit shares received as restricted stock if he or she does not comply with certain noncompetition and nonsolicitation requirements.
- (d) Messrs. Chambers, Dobbins and Dickinson have received 2004 Long-Term Restricted Stock Awards that will vest in full only on retirement, as defined in the agreements governing such grants, unless vesting is accelerated by the occurrence of certain limited events, as indicated in the table above. For additional information regarding these special long-term grants, please see NCI's proxy statement for the fiscal year ended

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November 2, 2008, Compensation Discussion & Analysis Long-Term Incentive Compensation Long-Term Restricted Stock Grants.

- (e) Under the executive officer's employment agreement, the executive officer's designated beneficiaries would have been entitled to the amounts set forth in the table above if the officer had died in fiscal 2008.
- (f) Upon a qualifying termination following a change in control, executive will be entitled to receive two times his annual base salary at the highest annualized rate in effect during the one-year period immediately preceding the date of the change in control event.

Compensation of Directors

Directors of NCI who are employees of NCI do not receive compensation as directors. In addition to the expenses incurred to attend and/or participate in meetings, we pay non-employee directors the following amounts:

Annual Retainer Fee	\$ 35,000
Board Meeting Fee	\$ 3,000
Committee Meeting Fee (in the absence of Board meeting on the same day)	\$ 1,500
Executive Committee Fee (in the absence of Board meeting on the same day)	\$ 750
Chairman of Audit Committee	\$ 15,000
Chairman of Nominating and Corporate Governance Committee	\$ 10,000
Chairman of Compensation Committee	\$ 10,000

In addition, each non-employee director receives grants of restricted stock having an aggregate fair market value of \$60,000 under our 2003 Long-Term Stock Incentive Plan on December 15 of each year, provided that the non-employee director has served as a director for at least six months. Upon initial election to the board, new directors receive a grant of 1,500 shares of restricted stock.

Messrs. Berges, Sleeper and Zrebiec have assigned all of the compensation each would receive for his services as a director, including any shares of restricted stock, to CD&R, LLC or its affiliates.

Director Compensation Table

The following table provides information concerning the compensation of our non-employee directors during Fiscal 2009. Effective as of the closing of the Equity Investment on October 20, 2009, Messrs. Breedlove, Hawk, Edwards, Phipps, Pieper, Sterling and Lukens resigned from the board of directors, Messrs. Forbes and Martinez remained on the board, and Messrs. Berges, Kremer and Sleeper were designated by the Investors as directors. Kathleen Affeldt, John J. Holland and Jonathan L. Zrebiec were appointed to the board on November 10, 2009 and, as such, are not included in the table below.

Name	Fees Earned or Paid				Total (\$)
	in Cash (a) (\$)	Stock Awards (b) (\$)	Option Awards (c) (\$)	All Other Compensation (\$)	
James Berges	-0-	0	-0-	-0-	-0-
William D. Breedlove	90,000	142,161	-0-	-0-	232,161

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Larry D. Edwards	73,250	95,268	-0-	-0-	168,518
Gary L. Forbes	103,250	149,647	-0-	-0-	252,897
Philip J. Hawk	85,250	148,404	-0-	-0-	233,654
Lawrence J. Kremer	-0-	-0-	-0-	-0-	-0-
Max L. Lukens	86,750	148,404	-0-	-0-	235,154
George Martinez	89,000	142,161	5,854	-0-	237,015
Ed L. Phipps	86,750	95,268	-0-	-0-	182,018
W. Bernard Pieper	89,250	142,161	-0-	-0-	231,411
Nathan K. Sleeper	-0-	-0-	-0-	-0-	-0-
John K. Sterling	79,250	147,884	-0-	-0-	227,134

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- (a) Includes annual retainer fees, supplemental retainer fees for Committee Chairmen, Board meeting fees and Committee meeting fees for each director more fully explained in the preceding paragraphs.
- (b) Amounts in the Stock Awards column represent the dollar amount recognized for financial statement reporting purposes for the fiscal year ended November 1, 2009, as determined under ASC 718. See Note 21, Share-Based Compensation in the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended November 1, 2009, for a discussion of the relevant assumptions used in this determination. Shares generally vest in four equal annual installments, beginning on the first anniversary of the grant date. Vesting is accelerated by the occurrence of certain limited events.
- (c) We did not grant any option awards in Fiscal 2009. The amounts included in the Option Awards column represent the compensation cost we recognized in Fiscal 2009, related to option awards in prior years, as described in ASC 718.

The following table provides information concerning the directors who held restricted stock and options that vested on the consummation of the Equity Investment on October 20, 2009.

Name	Restricted Stock		Total	Options
	Grants Prior to October 2009	October 15, 2009 Grant		
William D. Breedlove	5,409	4,703	10,112	-0-
Larry D. Edwards	4,149	4,703	8,852	-0-
Gary L. Forbes	5,409	4,703	10,112	-0-
Philip J. Hawk	5,394	4,703	10,097	-0-
Max L. Lukens	5,394	4,703	10,097	-0-
George Martinez	5,323	4,703	10,026	142
Ed L. Phipps	4,149	4,703	8,852	-0-
W. Bernard Pieper	5,409	4,703	10,112	-0-
John K. Sterling	5,394	4,703	10,097	-0-

Compensation Committee Interlocks and Insider Participation

The Compensation Committee of our board of directors is responsible for determining executive compensation. During Fiscal 2009, until October 20, 2009, Mr. Breedlove, Mr. Edwards, Mr. Forbes, Mr. Hawk, Mr. Pieper and Mr. Sterling were the only members of the Compensation Committee. On October 20, 2009, the Compensation Committee was reconstituted and as a result, its members were Mr. Martinez and Mr. Sleeper. None of these Compensation Committee members was at any time during Fiscal 2009, or at any other time, an officer or employee of NCI or any of our subsidiaries. None of these Compensation Committee members serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee. Effective November 10, 2009, the members of the Compensation Committee were Ms. Affeldt (who is the Chairperson of the Committee), Mr. Sleeper and Mr. Holland.

As a result of Mr. Sleeper's position as a partner of CD&R, LLC, which is an affiliate of the Investors, he may be deemed to have an indirect material interest in certain agreements executed in connection with the Equity Investment (see Transactions with Directors, Officers and Affiliates The Equity Investment below).

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BOARD OF DIRECTORS

Independence and Meetings

Clayton, Dubilier & Rice Fund VIII, L.P. and CD&R Friends & Family Fund VIII, L.P. together own over 50% of our outstanding voting power, and we are therefore considered a controlled company, within the meaning in the NYSE Listed Company Manual. Accordingly, effective as of the closing of the Equity Investment, we took all corporate action and filed all election notices and other documentation with the NYSE necessary to elect to qualify for the exemptions to the requirements of sections 303A.01, 303A.04 and 303A.05 of the NYSE Listed Company Manual. As long as we qualify for those exemptions, we will not be subject to the requirements that NYSE listed companies have (1) a majority of independent directors, (2) a nominating/corporate governance committee and a compensation committee, in each case, composed entirely of independent directors, and (3) charters for the nominating/corporate governance committee and the compensation committee, in each case, addressing certain specified matters. Pursuant to the Stockholders Agreement, we have agreed to use our reasonable best efforts to elect these exemptions for so long as we qualify for them.

Our board of directors determined, after considering all of the relevant facts and circumstances, that Ms. Affeldt, Mr. Forbes, Mr. Holland, Mr. Kremer and Mr. Martinez are independent from our management, as independence is defined by the rules and regulations of the SEC and the listing standards of the NYSE. This means that none of the independent directors had any direct or indirect material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us. For a description of transactions between us and certain members of our board of directors, please see Transactions with Directors, Officers and Affiliates Transactions with Directors and Officers.

Our board of directors met 23 times during the fiscal year ended November 1, 2009. Each of our directors attended 75% or more of the aggregate of the total number of meetings of the board of directors held during the period in which he was a director and the total number of meetings held by all board committees on which he served during the periods that he served. It is our policy to schedule a meeting of the board of directors on the date of the Annual Meeting, and we encourage all of our directors to attend that meeting. All of our then-current directors attended last year's Annual Meeting.

Our non-management directors meet without the presence of management at regularly scheduled executive sessions. These executive sessions occur before or after regularly scheduled meetings of our board of directors. The presiding director of these executive sessions is the Chairman of the Nominating and Corporate Governance Committee. For information on how you can communicate with our non-management directors, please see Communications With Our Board.

Board Committees

Our board of directors has five standing committees – the Executive Committee, the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the Affiliate Transactions Committee.

Executive Committee

The Executive Committee is generally authorized to act on behalf of our board of directors between scheduled meetings of our board of directors, except as provided by the Stockholders Agreement and by the Company's

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By-Laws, to the fullest extent permitted by Delaware corporate law. However, the Executive Committee does not have the authority to approve amendments to our Certificate of Incorporation or By-Laws or specified extraordinary corporate transactions. The Executive Committee operates under a charter adopted by our board of directors, a copy of which is available on our website at www.ncilp.com under the heading Investor Relations-Corporate Governance.

As of the end of Fiscal 2009, the members of the Executive Committee were Mr. Berges, Mr. Chambers, Mr. Forbes, and Mr. Sleeper, with Mr. Berges serving as Chairman. The Executive Committee met five times during the fiscal year ended November 1, 2009.

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Audit Committee

The Audit Committee assists our board of directors in fulfilling its responsibilities relating to corporate accounting and reporting practices of the Company and the quality and integrity of the Company's financial reports. The Audit Committee assists the board in monitoring the integrity of our financial statements, the independence, qualifications and performance of our independent auditors; the performance of our internal audit function, our compliance with legal and regulatory requirements, and the preparation of our Audit Committee's report included in our proxy statements. In discharging its duties, our Audit Committee has the authority to retain independent legal, accounting and other advisors and has the sole authority to appoint, retain, replace or terminate the independent auditor.

As of the end of Fiscal 2009, the members of the Audit Committee were Mr. Forbes, Mr. Kremer, and Mr. Martinez, with Mr. Forbes serving as Chairman. As of November 10, 2009, the members of the Audit Committee became Mr. Forbes, Mr. Holland, and Mr. Martinez, with Mr. Forbes serving as Chairman. The Audit Committee met five times during the fiscal year ended November 1, 2009.

The Audit Committee is composed solely of directors who are not our officers or employees, have the requisite financial literacy to serve on the Audit Committee, as determined by our board of directors, and whom our board of directors has determined are independent under the listing standards of the NYSE and the rules and regulations of the SEC.

Our board of directors, after reviewing all of the relevant facts, circumstances and attributes, has determined that Mr. Forbes, the Chairman of our Audit Committee, is an audit committee financial expert as defined by Item 407(d)(5)(ii) of SEC Regulation S-K.

The Audit Committee operates under an Audit Committee Charter adopted by our board of directors, a copy of which is available on our website at www.ncilp.com under the heading Investor Relations Corporate Governance.

Compensation Committee

The Compensation Committee assists our board of directors in fulfilling its responsibilities relating to the compensation practices of the Company. The Compensation Committee discharges the board of directors responsibilities relating to compensation of directors, officers and senior managers, oversees, evaluates, and advises the board of directors regarding the Company's overall compensation policies and structure, including benefit plans and programs, prepares reports on executive compensation required for inclusion in our proxy statements and discusses these reports with our management. The Compensation Committee is permitted to delegate its authority on all matters for which it is responsible to subcommittees consisting of one or more members. The Compensation Committee met four times during the fiscal year ended November 1, 2009.

As of the end of Fiscal 2009, the members of the Compensation Committee were Mr. Sleeper and Mr. Martinez. As of November 10, 2009, the members of the Compensation Committee became Ms. Affeldt, Mr. Holland, and Mr. Sleeper, with Ms. Affeldt serving as Chairperson. The Compensation Committee is composed solely of directors who are not our officers or employees.

The Compensation Committee operates under a Compensation Committee Charter adopted by our board of directors, a copy of which is available on our website at www.ncilp.com under the heading Investor Relations Corporate Governance.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible, subject to and in accordance with the Stockholders Agreement, for identifying or assisting in the identification of, and recommending qualified candidates to serve on our board of directors and, subject to and in accordance with the Stockholders Agreement, recommending to our board of directors the director nominees to be elected by our stockholders at each annual or special meeting. In addition, the Nominating and Corporate Governance Committee is responsible for developing, and advising our board of directors with respect to guidelines for the governance of the Company, including

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monitoring compliance with those guidelines, as well as overseeing succession planning and the evaluation and review of the performance of our board of directors. As of the end of Fiscal 2009, the members of the Nominating and Corporate Governance Committee were Mr. Berges, Mr. Forbes and Mr. Sleeper, with Mr. Berges serving as Chairman. The Nominating and Corporate Governance Committee met four times during the fiscal year ended November 1, 2009.

The Nominating and Corporate Governance Committee operates under a Nominating and Corporate Governance Committee Charter adopted by our board of directors, a copy of which is available on our website at www.ncilp.com under the heading Investor Relations Corporate Governance. Our Corporate Governance Guidelines adopted by our board of directors, a copy of which is available at our website at www.ncilp.com under the heading Investor Relations Corporate Governance, include the criteria our board of directors believes are important in the selection of director nominees.

Pursuant to and in accordance with the Stockholders Agreement, for so long as the Investors hold voting power equal in the aggregate to at least 10% of the aggregate voting power held by the Investors immediately following the closing of the Equity Investment, the Investors are entitled to nominate or designate to serve on the board of directors a number of individuals proportionate to the Investors percentage of the voting power of the Company at the relevant time (and to nominate or designate the replacements for such directors). At each annual meeting or special meeting of stockholders at which any directors of the Company are to be elected, the Company will take all corporate and other actions necessary to cause the applicable Investors nominees or designees to be nominated for election to the board of directors and the Company will solicit proxies in favor of the election of such nominees or designees to be elected at such meeting.

Further, pursuant to and in accordance with the Stockholders Agreement, for so long as stockholders unaffiliated with the Investors own in the aggregate at least 5% of the voting power of the Company, the Company's board of directors will include (i) at least two Unaffiliated Shareholder Directors and (ii) the Chief Executive Officer of the Company. One Unaffiliated Shareholder Director will sit on each committee of the board of directors, except for the Affiliate Transactions Committee, whose members include two members who are Unaffiliated Shareholder Directors.

In identifying and evaluating nominees for director other than directors appointed by the Investors pursuant to the Stockholders Agreement, the Nominating and Corporate Governance Committee first looks at the overall size and structure of the board of directors to determine the need to add or remove directors and to determine if there are any specific qualities or skills that would complement the existing strengths of our board of directors.

Our board of directors believes that a nominee for director should be, about to be or have been a senior manager, chief operating officer, chief financial officer or chief executive officer of a relatively complex organization such as a corporation, university, foundation or governmental entity or unit or, if in a professional or scientific capacity, be accustomed to dealing with complex problems, or otherwise have obtained and excelled in a position of leadership. In addition, directors and nominees for director should have the education, experience, intelligence, independence, fairness, reasoning ability, practical wisdom and vision to exercise sound, mature judgments on a macro and entrepreneurial basis and should have high personal and professional ethics, strength of character, integrity and values. Directors and nominees for director also should be free and willing to attend regularly scheduled meetings of our board of directors and its committees and otherwise able to contribute a reasonable amount of time to our affairs, with participation on other boards of directors encouraged to provide breadth of experience to our board of directors. The age at the time of election of any nominee for director should be such to assure a minimum of three years of service as a director.

The Nominating and Corporate Governance Committee uses multiple sources for identifying and evaluating nominees for directors other than directors appointed by the Investors pursuant to the Stockholders Agreement, including

referrals from our current directors and management, as well as input from third-party executive search firms. The Chairman of the Nominating and Corporate Governance Committee and our Chairman of the Board will then interview qualified candidates. Qualified candidates are then invited to meet the remaining members of the Nominating and Corporate Governance Committee. The remaining directors also have an opportunity to meet and interview qualified candidates. The Nominating and Corporate Governance Committee then determines, based on

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the background information and the information obtained in the interviews, whether to recommend to the board of directors that a candidate be nominated to our board of directors.

The Nominating and Corporate Governance Committee will consider qualified nominees recommended by stockholders. Stockholders may submit recommendations to the Nominating and Corporate Governance Committee in care of our Chairman of the Board and Secretary at our address set forth on page one of this proxy statement in the form and timing provided in our By-Laws. Subject to the requirements of the Stockholders Agreement described above, nominees for director who are recommended by our stockholders will be evaluated in the same manner as any other nominee for director.

Nominations by stockholders for seats on the board of directors not required to be filled by the Investors' designees may also be made at an annual meeting of stockholders in the manner provided in our By-Laws. Our By-Laws provide that a stockholder entitled to vote for the election of directors may make nominations of persons for election to our board of directors at a meeting of stockholders by complying with required notice procedures. To be timely, nominations must be received at our principal executive offices not less than 90 or more than 110 days before any annual meeting of stockholders. If, however, notice or prior public disclosure of an annual meeting is given or made less than 90 days before the date of the annual meeting, the notice must be received no later than the 10th day following the date of mailing of the notice of the annual meeting or the date of public disclosure of the date of the annual meeting, whichever is earlier.

The notice must specify:

as to each person the stockholder proposes to nominate for election or re-election as a director:

the name, age, business address and residence address of the person;

the principal occupation or employment of the person;

the class and number of shares of our capital stock that are owned of record or beneficially by the person on the date of the notice; and

any other information relating to the person that is required to be disclosed in solicitations for proxies with respect to nominees for election as directors pursuant to Section 14 of the Securities Exchange Act of 1934 (the "Exchange Act"); and

as to the stockholder giving the notice:

the name and record address of the stockholder and any other stockholder known by that stockholder to be supporting the nominee; and

the class and number of shares of our capital stock that are owned of record or beneficially by the stockholder making the nomination and by any other supporting stockholders.

We may require that the proposed nominee furnish us with other information as we may reasonably request to assist us in determining the eligibility of the proposed nominee to serve as a director. At any meeting of stockholders, the presiding officer may disregard the purported nomination of any person not made in compliance with these procedures.

Affiliate Transactions Committee

The Affiliate Transactions Committee is responsible for reviewing, considering and approving certain transactions between the Company and its controlled affiliates, on the one hand, and the Investors and their affiliates, on the other hand. This committee is made up of two shareholder directors unaffiliated with the Investors and with the Company, and one director designated by the Investors who is independent within the meaning of the NYSE listing manual and has no material relationship with the Investors or their affiliates. As of the end of Fiscal 2009, the members of the Affiliate Transactions Committee were Mr. Forbes, Mr. Martinez and Mr. Kremer. As of November 10, 2009, the members of the Affiliate Transactions Committee became Mr. Forbes, Mr. Holland and Mr. Kremer.

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The Affiliate Transactions Committee operates under an Affiliate Transactions Committee Charter adopted by our board of directors, a copy of which is available on our website at www.ncilp.com under the heading Investor Relations Corporate Governance.

CORPORATE GOVERNANCE

Our board of directors has adopted Corporate Governance Guidelines to address significant corporate governance issues. A copy of these guidelines is available at our website at www.ncilp.com under the heading Investor Relations Corporate Governance. These guidelines provide a framework for our corporate governance initiatives and cover topics including, but not limited to, director qualification and responsibilities, board composition, director compensation and management and succession planning. The Nominating and Corporate Governance Committee is responsible for overseeing and reviewing the guidelines and reporting and recommending to our board of directors any changes to the guidelines. You may obtain copies of the charters for our Audit Committee, Compensation Committee, Executive Committee, Affiliate Transactions Committee and our Nominating and Corporate Governance Committee, and our Corporate Governance Guidelines, free of charge, from our website at www.ncilp.com under the heading Investor Relations Corporate Governance or by writing to the Investor Relations Administrator, NCI Building Systems, Inc., 10943 North Sam Houston Parkway West, Houston, Texas 77064.

Our board of directors has adopted a Code of Business Conduct and Ethics, which is designed to help officers, directors and employees resolve ethical issues in an increasingly complex business environment. The Code of Business Conduct and Ethics is applicable to all of our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller and other persons performing similar functions.

The Code of Business Conduct and Ethics covers topics, including but not limited to, conflicts of interest, confidentiality of information and compliance with laws and regulations. The Code of Business Conduct and Ethics also provides that directors employed by CD&R, Inc. or any other affiliate of the Investors will not be deemed in violation of our Code of Business Conduct and Ethics as a result of any investment by the Investors, insofar as such investment, affiliate transaction and information access is not prohibited under the terms of the Stockholders Agreement and is otherwise in accordance with the Certificate of Incorporation, the By-Laws and the laws of the State of Delaware.

Our Code of Business Conduct and Ethics is available, free of charge, on our website, along with other corporate governance information, at www.ncilp.com under the heading Investor Relations Corporate Governance. You may also obtain a copy by writing to Investor Relations Administrator at the address above.

Waivers from our Code of Business Conduct and Ethics are discouraged, but any waivers from the Code of Business Conduct and Ethics that relate to our principal executive officer, principal financial officer, principal accounting officer or controller and other persons performing similar functions or any other executive officer or director must be approved by our Nominating and Corporate Governance Committee, which is composed solely of directors whom we believe are independent of management, and will be posted on our website at www.ncilp.com within four business days of any such waiver.

COMMUNICATIONS WITH OUR BOARD

Any stockholder or interested party who wishes to communicate with our board of directors or any specific directors, including non-management directors, may write to:

Board of Directors

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NCI Building Systems, Inc.
10943 North Sam Houston Parkway West
Houston, TX 77064

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Depending on the subject matter, management will:

forward the communication to the director or directors to whom it is addressed (for example, if the communication received deals with questions, concerns or complaints regarding accounting, internal accounting controls and auditing matters, it will be forwarded by management to the Chairman of the Audit Committee for review);

attempt to handle the inquiry directly, for example where it is a request for information about us or our operations or it is a stock-related matter that does not appear to require direct attention by our board of directors or an individual director; or

not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic (in accordance with the explicit instructions of our non-management directors).

At each meeting of the board of directors, our Chairman of the Board presents a summary of all communications received since the last meeting of the board of directors that were not forwarded and makes those communications available to any director on request.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and officers and persons who own more than 10% of any equity securities of the Company to file initial reports of ownership and reports of changes in ownership with the SEC and the New York Stock Exchange. These persons are required by the Exchange Act to furnish us with copies of all Section 16(a) forms they file.

Based solely on our review of the copies of the forms received by us with respect to Fiscal 2009, or written representations from the reporting persons, none of these reporting persons was late with respect to any required filings except a filing on behalf of Mr. Forbes with respect to his stock grant of December 15, 2008.

LEGAL PROCEEDINGS

To the best of the Company's knowledge, there is no material proceeding to which any director, director designee or executive officer or affiliate of the Company, any owner of record or beneficially of more than 5% of any class of voting securities of the Company, or any associate of such director, nominated director, officer, affiliate of the Company, or security holder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

TRANSACTIONS WITH DIRECTORS, OFFICERS AND AFFILIATES

Transactions with Directors and Officers

With respect to transactions between us and our Named Executive Officers, please see Executive Compensation Employment Agreements and Compensation Discussion & Analysis Other Compensation Termination and Change of Control Agreements.

In December 2007, Ms. Frances Powell Hawes and Mr. Kenneth W. Maddox, both former executive officers of NCI, purchased \$100,000 and \$200,000, respectively, principal amount of our Notes from an independent broker. As a result of their purchases of the notes, Ms. Hawes and Mr. Maddox are treated like any other holder of the Notes. While the purchase or sale of our equity securities would not be deemed a related transaction under SEC regulations,

the purchase or sale of our debt securities is not afforded the same treatment even though the purchaser of such debt security receives the same benefits on a pro rata basis as all other holders of the debt securities and the holder did not purchase the debt securities directly from us. Both Ms. Hawes and Mr. Maddox sold their Notes on the market prior to the commencement of the Exchange Offer.

The Nominating and Corporate Governance Committee has approved and adopted a statement of policy and procedures with respect to related party transactions. This policy covers the review, approval or ratification of

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transactions between the Company and related parties (generally, directors, executive officers and employees required to file reports under Section 16 of the Exchange Act and their immediate family members, beneficial owners of 5% or more of any class of the Company's securities, and any entity in which any such persons are employed, are principals, partners or hold a similar position or in which they have a beneficial interest of 5% or more). The policy covers transactions in which the Company and any related party are participants in which a related party has a material interest, other than (i) transactions between the Company and affiliates of CD&R, Inc., which are evaluated by the Affiliate Transactions Committee pursuant to the guidelines in the Stockholders Agreement, (ii) transactions involving less than \$25,000 when aggregated with all similar transactions and (iii) certain exceptions for the employment of executive officers, director compensation, employees of the related party and transactions in which all shareholders receive proportional benefits. The policy generally requires that any related party transaction be approved by the Nominating and Corporate Governance Committee or its Chairman in advance of the consummation or material amendment of the transaction. Under the policy, prior to entering into a related party transaction, a related party must make full disclosure of all of the facts and circumstances relating to the transaction to the Chief Financial Officer or General Counsel of the Company, who must assess this information and decide whether it is a related party transaction. If either of the Chief Financial Officer or General Counsel makes this determination, they must submit the transaction to the Nominating and Corporate Governance Committee or to its Chairman. The Nominating and Corporate Governance Committee or its Chairman will approve such transaction only if, in its good faith determination, it is in, or is not inconsistent with, the best interests of the Company and its stockholders. In the event a transaction is not identified as a related party transaction in advance, it will be submitted promptly to the Nominating and Corporate Governance Committee or the Chair thereof, and such committee or Chair, as the case may be will evaluate the transaction and evaluate all options, including but not limited to ratification, amendment or termination of the transaction.

Transactions with Affiliates

The Certificate of Incorporation requires a vote of holders of at least 80% of our voting stock to approve a merger, sale, lease or exchange of any of our assets having an aggregate fair market value of \$5.0 million or more or certain other transactions between the Company and any other person or corporation holding directly or indirectly more than 10% of the Company's voting stock, unless the merger, sale or other transaction was approved by a majority of the disinterested members of the board of directors or certain price and procedure requirements are met. These provisions cannot be amended unless the amendment is approved by the affirmative vote of at least 80% of the Company's voting stock. If Proposal 4F is approved by the stockholders of the Company at the Annual Meeting, this requirement will be eliminated.

At a duly held meeting on August 13, 2009, pursuant to and in accordance with the Certificate of Incorporation, the disinterested members of the board of directors unanimously and expressly approved the Investment Agreement (as defined above), the terms of the Preferred Stock, the Stockholders Agreement, the Registration Rights Agreement and the Indemnification Agreement and the Transactions including, without limitation, the full exercise of (1) all rights, including the subscription rights set forth in the Stockholders Agreement and (2) all rights, powers and preferences of the Investors and their affiliates as holders of Preferred Stock under the terms of the Preferred Stock and the performance of the Company's obligations with respect thereto.

The Affiliate Transactions Committee of our board of directors, which is further described in Board of Directors Board Committees Affiliate Transactions Committee, is responsible for reviewing, considering and approving certain transactions between the Company and its controlled affiliates, on the one hand, and the Investors and their affiliates, on the other hand. This committee is made up of two shareholder directors unaffiliated with the Investors and with the Company, and one director designated by the Investors who is independent within the meaning of the NYSE listing manual and has no material relationship with the Investors or their affiliates.

The Equity Investment

As a result of their respective positions with CD&R, LLC and its affiliates, one or more of our directors may be deemed to have an indirect material interest in certain agreements executed in connection with the Equity

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Investment. Mr. Berges, Mr. Sleeper and Mr. Zrebiec, may be deemed to have an indirect material interest in the following agreements:

the Investment Agreement, pursuant to which Clayton, Dubilier & Rice Fund VIII L.P.'s transaction expenses were reimbursed and a deal fee of \$8.25 million was paid to CD&R, Inc. on October 20, 2009. For further discussion of the Investment Agreement, see Change of Control-Investment Agreement and Stockholders Agreement above;

the Stockholders Agreement, which sets forth certain terms and conditions regarding the Equity Investment and the Investors' ownership of the Preferred Shares, including certain restrictions on the transfer of the Preferred Shares and the shares of Common Stock issuable upon conversion thereof and on certain actions of the Investors and their controlled affiliates with respect to the Company, and to provide for, among other things, subscription rights, corporate governance rights and consent rights as well as other obligations and rights. For further discussion of the Stockholders Agreement, see Change of Control-Investment Agreement and Stockholders Agreement above;

a Registration Rights Agreement (see Change of Control Other Agreements above); and

an Indemnification Agreement, (see Change of Control Other Agreements above).

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of the Exchange Act and its rules and regulations. The Exchange Act requires us to file reports, proxy statements and other information with the SEC. Copies of our reports, proxy statements and other information can be read and copied at:

SEC Public Reference Room
100 F Street NE
Washington, D.C. 20549

Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC. These materials may be obtained electronically by accessing the SEC's home page at <http://www.sec.gov>.

Copies of any of the above referenced information will also be made available, free of charge by writing or calling us at the following address or telephone number:

NCI Building Systems, Inc.
Investor Relations Department
10943 North Sam Houston Parkway West
Houston, Texas 77064
(281) 897-7788

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AUDIT COMMITTEE AND AUDITORS

Report of the Audit Committee

We have reviewed and discussed the audited financial statements of NCI for Fiscal 2009 with management. We also have discussed the audited financial statements with Ernst & Young LLP, NCI's independent registered public accountants. Our discussions with Ernst & Young LLP included, among other things, discussions relating to those topics set forth in the Codification of Statements on Auditing Standards, AU§ 380, Communication with Audit Committees or Others with Equivalent Authority and Responsibility, including but not limited to, the auditor's responsibility under generally accepted auditing standards, the processes used by our management in formulating accounting estimates, significant adjustments made during the audit, any disagreements with our management and any difficulties encountered by the independent auditors in performing the audit. We also reviewed written disclosures from Ernst & Young LLP in accordance with applicable requirements of the Public Company Accounting Oversight Board, relating to any and all relationships between it and NCI, and we discussed with Ernst & Young LLP any relationship that might affect the objectivity or independence of Ernst & Young LLP. Based on those discussions, we are not aware of any relationship between Ernst & Young LLP and NCI that affects the objectivity or independence of Ernst & Young LLP.

Based on those discussions and review, we recommended to the board of directors that the audited financial statements for Fiscal 2009 be included in NCI's 2009 Annual Report to Stockholders. We have appointed Ernst & Young LLP as NCI's independent auditors for Fiscal 2010, and have submitted the appointment for shareholder ratification.

We also reviewed and discussed the fees paid to NCI's independent auditors during Fiscal 2009 for audit and non-audit services, which fees and services are described below under the title Our Independent Auditors and Fees, and have determined that the provision of the non-audit services and the fees that we pay for them are compatible with maintaining Ernst & Young LLP's independence.

This report is submitted by the members of the Audit Committee.

GARY L. FORBES (Chair)
JOHN J. HOLLAND
GEORGE MARTINEZ

In accordance with the rules and regulations of the SEC, the above report of the Audit Committee shall not be deemed to be soliciting material or to be filed with the SEC or subject to Regulations 14A or 14C of the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Exchange Act and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, notwithstanding any general incorporation by reference of this proxy statement into any other filed document.

Our Independent Registered Public Accounting Firm and Audit Fees

Ernst & Young LLP served as our independent registered public accountants for Fiscal 2009. A representative of Ernst & Young LLP is expected to attend our Annual Meeting and will have the opportunity to make a statement if he so desires and will be available to answer appropriate stockholder questions.

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Audit Fees. We incurred fees of \$2,568,788 during Fiscal 2009 and \$2,102,356 during fiscal 2008 for Ernst & Young LLP's independent audit of our annual financial statements, review of the financial statements contained in our quarterly reports on Form 10-Q and assistance regarding other SEC filings. All of the audit services provided to us by Ernst & Young LLP during Fiscal 2009 and fiscal 2008 were pre-approved by the Audit Committee.

Audit-Related Fees. We did not incur any fees during Fiscal 2009 for other services rendered by Ernst & Young LLP that were reasonably related to its audit and review of our financial statements, including reviews of internal control design and operation and assistance in evaluating the requirements of the Sarbanes-Oxley Act of 2002. We did not incur any fees during fiscal 2008.

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Tax Fees. We incurred fees of \$39,604 for Fiscal 2009 and \$6,500 during fiscal 2008 for Ernst & Young LLP's professional services related to transfer pricing, certain Mexican and U.S. tax matters and transaction analysis in connection with the Transactions. All of these services are permitted non-audit services. All of the tax-related services provided to us by Ernst & Young LLP during Fiscal 2009 and fiscal 2008 were pre-approved by the Audit Committee.

All Other Fees. We incurred fees of \$2,160 during Fiscal 2009 and \$1,624 during fiscal 2008 for research tool subscriptions rendered by Ernst & Young LLP. All of the research tool subscriptions provided to us by Ernst & Young LLP during Fiscal 2009 and fiscal 2008 were pre-approved by the Audit Committee.

Pre-Approval Policies and Procedures for Audit and Non-Audit Services

The Audit Committee has developed policies and procedures concerning its pre-approval of the performance of audit and non-audit services for us by Ernst & Young LLP. These policies and procedures provide that the Audit Committee must pre-approve all audit and permitted non-audit services (including the fees and terms thereof) to be performed for us by Ernst & Young LLP, subject to the de minimis exception for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Audit Committee before the completion of the audit. In pre-approving all audit services and permitted non-audit services, the Audit Committee or a delegated member must consider whether the provision of the permitted non-audit services is compatible with maintaining the independence of Ernst & Young LLP and its status as our independent auditors.

The Audit Committee has delegated to its members the authority to consider and approve management proposals for the engagement of Ernst & Young LLP to perform certain permitted non-audit services for fees of up to an aggregate of \$25,000 between quarterly meetings of the Audit Committee; provided that those pre-approvals are presented to the entire Audit Committee at its next regularly scheduled meeting. Management proposals arising between quarterly Audit Committee meetings are presented for pre-approval to the Chairman of the Audit Committee, Mr. Forbes, and in the event of his unavailability, to another member of the Audit Committee.

All of the services performed by Ernst & Young LLP in Fiscal 2009 were approved in advance by the Audit Committee pursuant to the foregoing pre-approval policy and procedures. Additionally, during Fiscal 2009, Ernst & Young LLP did not provide any services prohibited by the Sarbanes-Oxley Act.

ADDITIONAL INFORMATION

Stockholder Proposals for 2010 Annual Meeting

In order for stockholder proposals to have been properly submitted for presentation at our Annual Meeting, we must have received notice not earlier than November 29, 2009 and not later than December 19, 2009.

Stockholder Proposals for Fiscal Year 2011 Proxy Statement

If you wish to present a proposal for inclusion in our proxy material for consideration at our Annual Meeting to be held in 2011, you must submit the proposal in writing to our Secretary at the address shown on the first page of this proxy statement, and we must receive your proposal not later than September 14, 2010 (the 120th day prior to January 4, 2011, the anniversary of the date on which this year's proxy was mailed to you). That proposal must comply with Section 8 of Article II of our By-Laws and, if it is to be included in our proxy materials, Rule 14a-8 under the Exchange Act.

Advance Notice Required for Stockholder Nominations and Proposals

Our By-Laws require timely advance written notice of stockholder nominations of director candidates and of any other proposals to be presented at an annual meeting of stockholders. Notice will be considered timely for the Annual Meeting of Stockholders to be held in 2011 if it is received not less than 90 nor more than 110 days prior to the date of the 2011 Annual Meeting of Stockholders. Our By-Laws require our board of directors or the presiding officer of the Annual Meeting to reject any untimely or non-complying proposal.

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INCORPORATION BY REFERENCE

The Securities and Exchange Commission allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this Proxy Statement, and information that we later file with the SEC will automatically update and supersede previously filed information, including information contained in this document. We incorporate by reference our Annual Report on Form 10-K for the fiscal year ended November 1, 2009 filed with the Securities and Exchange Commission on December 23, 2009, copies of which are being delivered to you with this Proxy Statement.

10943 North Sam Houston Parkway West
Houston, TX 77064
(281) 897-7788

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Our board of directors knows of no business other than that described above to be transacted at our Annual Meeting. If other matters requiring a vote of the stockholders arise, the persons designated as proxies will vote the shares of Common Stock represented by the proxies in accordance with their judgment on those matters.

The information contained in the proxy statement relating to the occupations and security holdings of our directors and officers and their transactions with us is based upon information received from the individual directors and officers. Unless otherwise indicated, all information relating to any beneficial owner of more than 5% of any class of our equity securities is based upon information contained in reports filed by that owner with the SEC.

By Order of the Board of Directors

Todd R. Moore
*Executive Vice President, General Counsel
and Secretary*

Houston, Texas
January 14, 2010

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ANNEX A

**NCI BUILDING SYSTEMS, INC.
2003 LONG-TERM STOCK INCENTIVE PLAN
(As Amended and Restated [])**

1. *PURPOSE.* The purposes of the Plan are to attract and retain for the Company and its Subsidiaries the best available personnel, to provide additional incentives to Employees, Directors and Consultants, to increase their interest in the Company's welfare, and to promote the success of the business of the Company and its Subsidiaries.
2. *INCENTIVE AWARDS AVAILABLE UNDER THE PLAN.* Awards granted under this Plan may be (a) Incentive Stock Options, (b) Non-Qualified Stock Options, (c) Restricted Stock Awards; (d) Stock Appreciation Rights; (e) Cash Awards; (f) Performance Share Awards; (g) Phantom Stock Awards and (h) Restricted Stock Unit Awards.
3. *SHARES SUBJECT TO PLAN.* Subject to adjustment pursuant to Section 12(a) hereof, the total number of shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed 32,000,000 (the Pool Limit). At all times during the term of the Plan, the Company shall allocate and keep available such number of shares of Common Stock as will be required to satisfy the requirements of outstanding Awards under the Plan. Effective as of February [], 2010 and applicable to all Awards outstanding under the Plan on that date (i.e., whether granted before or after February [], 2010), each share of Common Stock issued pursuant to an Award shall count against the Pool Limit as one (1) full share of Common Stock. The number of shares reserved for issuance under the Plan shall be reduced only to the extent that shares of Common Stock are issued in connection with the exercise or settlement of an Award; provided, however, that the number of shares reserved for issuance shall be reduced by the total number of Options or Stock Appreciation Rights exercised. Any shares of Common Stock covered by an Award (or a portion of an Award) that is forfeited or canceled or that expires shall be deemed not to have been issued for purposes of determining the maximum aggregate number of shares of Common Stock which may be issued under the Pool Limit and shall remain available for Awards under the Plan. Notwithstanding the foregoing, the following shares of Common Stock may not again be made available for issuance as Awards under the Plan: (a) shares of Common Stock not issued or delivered as a result of the net settlement of an outstanding Option or Stock Appreciation Right, (b) shares of Common Stock used to pay the exercise price or withholding taxes related to an outstanding Award, or (c) shares of Common Stock repurchased on the open market with the proceeds of the Option exercise price. The shares to be delivered under the Plan shall be made available from authorized but unissued shares of Common Stock or Common Stock held in the treasury of the Company.
4. *ELIGIBILITY.* Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants. Incentive Stock Options may be granted only to Employees. The Committee in its sole discretion shall select the recipients of Awards. A Grantee may be granted more than one Award under the Plan, and Awards may be granted at any time or times during the term of the Plan. The grant of an Award to an Employee, Director or Consultant shall not be deemed either to entitle that individual to, or to disqualify that individual from, participation in any other grant of Awards under the Plan.
5. *LIMITATION ON INDIVIDUAL AWARDS.* Except for Cash Awards described in Section 10(a), no individual shall be granted, in any fiscal year, Awards under the Plan covering or relating to an aggregate of more than 4,500,000 shares of Common Stock. No individual shall receive payment for Cash Awards during any fiscal year aggregating in excess of \$5,000,000. The preceding shall be applied in a manner which will permit compensation generated under the Plan, where appropriate, to constitute performance-based compensation for purposes of Section 162(m) of the Code.
6. *STOCK OPTIONS.*

(a) *Grant of Options.* An Option is a right to purchase shares of Common Stock during the option period for a specified exercise price. The Committee shall determine whether each Option shall be granted as an Incentive Stock Option or a Non-Qualified Stock Option and the provisions, terms and conditions of each Option including, but not limited to, the vesting schedule, the number of shares of Common Stock subject to the Option, the exercise

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price of the Option, the period during which the Option may be exercised, repurchase provisions, forfeiture provisions, methods of payment, and all other terms and conditions of the Option.

(b) *Limitations on Incentive Stock Options.* The aggregate Fair Market Value (determined as of the date of grant of an Option) of Common Stock which any Employee is first eligible to purchase during any calendar year by exercise of Incentive Stock Options granted under the Plan and by exercise of Incentive Stock Options granted under any other incentive stock option plan of the Company or a Subsidiary shall not exceed \$100,000. If the Fair Market Value of stock with respect to which all Incentive Stock Options described in the preceding sentence held by any one Optionee are exercisable for the first time by such Optionee during any calendar year exceeds \$100,000, the Options (that are intended to be Incentive Stock Options on the date of grant thereof) for the first \$100,000 worth of shares of Common Stock to become exercisable in such year shall be deemed to constitute Incentive Stock Options and the Options (that are intended to be Incentive Stock Options on the date of grant thereof) for the shares of Common Stock in the amount in excess of \$100,000 that become exercisable in that calendar year shall be treated as Non-Qualified Stock Options. If the Code or the Treasury regulations promulgated thereunder are amended after the effective date of the Plan to provide for a different limit than the one described in this Section 6(b), such different limit shall be incorporated herein and shall apply to any Options granted after the effective date of such amendment.

(c) *Acquisitions and Other Transactions.* Notwithstanding the provisions of Section 11(h), in the case of an Option issued or assumed pursuant to Section 11(h), the exercise price and number of shares for the Option shall be determined in accordance with the principles of Section 424(a) of the Code and the Treasury regulations promulgated thereunder.

(d) *Payment on Exercise.* Payment for the shares of Common Stock to be purchased upon exercise of an Option may be made in cash (by check) or, if elected by the Optionee where permitted by law: (i) if a public market for the Common Stock exists, through a same day sale arrangement between the Optionee and a NASD Dealer whereby the Optionee elects to exercise the Option and to sell a portion of the shares of Common Stock so purchased to pay for the exercise price and whereby the NASD Dealer commits upon receipt of such shares of Common Stock to forward the exercise price directly to the Company; (ii) if a public market for the Common Stock exists, through a margin commitment from the Optionee and an NASD Dealer whereby the Optionee elects to exercise the Option and to pledge the shares of Common Stock so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the exercise price, and whereby the NASD Dealer commits upon receipt of such shares of Common Stock to forward the exercise price directly to the Company; or (iii) by surrender for cancellation of Qualifying Shares at the Fair Market Value per share at the time of exercise (provided that such surrender does not result in an accounting charge for the Company). No shares of Common Stock may be issued until full payment of the purchase price therefor has been made.

7. RESTRICTED STOCK AWARDS.

(a) *Restricted Stock Awards.* A Restricted Stock Award is a grant of shares of Common stock for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions and other terms and conditions as are established by the Committee.

(b) *Forfeiture Restrictions.* Shares of Common Stock that are the subject of a Restricted Stock Award shall be subject to restrictions on disposition by the Grantee and to an obligation of the Grantee to forfeit and surrender the shares to the Company under certain circumstances (the Forfeiture Restrictions). The Forfeiture Restrictions shall be determined by the Committee in its sole discretion, and the Committee may provide that the Forfeiture Restrictions shall lapse on the passage of time, the attainment of one or more performance targets established by the Committee, or the occurrence of such other event or events determined to be appropriate by the Committee. The Forfeiture Restrictions applicable to a particular Restricted Stock Award (which may differ from any other such Restricted Stock

Award) shall be stated in the Restricted Stock Agreement.

(c) *Rights as Stockholder.* Shares of Common Stock awarded pursuant to a Restricted Stock Award shall be represented by a stock certificate registered in the name of the Grantee of such Restricted Stock Award. The Grantee shall have the right to receive dividends with respect to the shares of Common Stock subject to a Restricted Stock Award, to vote the shares of Common Stock subject thereto and to enjoy all other stockholder rights with respect to the shares of Common Stock subject thereto, except that, unless provided otherwise in this Plan, or in the Restricted

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Stock Agreement, (i) the Grantee shall not be entitled to delivery of the shares of Common Stock except as the Forfeiture Restrictions expire, (ii) the Company or an escrow agent shall retain custody of the shares of Common Stock until the Forfeiture Restrictions expire, (iii) the Grantee may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the shares of Common Stock until the Forfeiture Restrictions expire.

(d) *Stock Certificate Delivery.* One or more stock certificates representing shares of Common Stock, free of Forfeiture Restrictions, shall be delivered to the Grantee promptly after, and only after, the Forfeiture Restrictions have expired. The Grantee, by his or her acceptance of the Restricted Stock Award, irrevocably grants to the Company a power of attorney to transfer any shares so forfeited to the Company, agrees to execute any documents requested by the Company in connection with such forfeiture and transfer, and agrees that such provisions regarding transfers of forfeited shares shall be specifically performable by the Company in a court of equity or law.

(e) *Payment for Restricted Stock.* The Committee shall determine the amount and form of any payment for shares of Common Stock received pursuant to a Restricted Stock Award. In the absence of such a determination, the Grantee shall not be required to make any payment for shares of Common Stock received pursuant to a Restricted Stock Award, except to the extent otherwise required by law.

(f) *Forfeiture of Restricted Stock.* Unless otherwise provided in a Restricted Stock Agreement, on termination of the Grantee's employment or service prior to lapse of the Forfeiture Restrictions, the shares of Common Stock which are still subject to the Restricted Stock Award shall be forfeited by the Grantee. Upon any forfeiture, all rights of the Grantee with respect to the forfeited shares of the Common Stock subject to the Restricted Stock Award shall cease and terminate, without any further obligation on the part of the Company except to repay any purchase price per share paid by the Grantee for the shares forfeited.

(g) *Waiver of Forfeiture Restrictions; Committee's Discretion.* With respect to a Restricted Stock Award that has been granted to a Covered Employee where such Award has been designed to meet the exception for performance-based compensation under Section 162(m) of the Code, the Committee may not waive the Forfeiture Restrictions applicable to such Restricted Stock Award.

8. STOCK APPRECIATION RIGHTS.

(a) *Stock Appreciation Rights.* A Stock Appreciation Right is a right to receive, upon exercise of the right, shares of Common Stock or their cash equivalent in an amount equal to the increase in Fair Market Value of the Common Stock between the grant and exercise dates. As of the grant date of an Award of a Stock Appreciation Right, the Committee may specifically designate that the Award will be paid (i) only in cash, (ii) only in stock or (iii) in such other form or combination of forms as the Committee may elect or permit at the time of exercise.

(b) *Tandem Rights.* Stock Appreciation Rights may be granted in connection with the grant of an Option, in which case exercise of Stock Appreciation Rights will result in the surrender of the right to purchase the shares under the Option as to which the Stock Appreciation Rights were exercised. Alternatively, Stock Appreciation Rights may be granted independently of Options in which case each Award of Stock Appreciation Rights shall be evidenced by a Stock Appreciation Rights Agreement. With respect to Stock Appreciation Rights that are subject to Section 16 of the Exchange Act, the Committee shall retain sole discretion (i) to determine the form in which payment of the Stock Appreciation Right will be made (i.e., cash, securities or any combination thereof) or (ii) to approve an election by a Grantee to receive cash in full or partial settlement of Stock Appreciation Rights.

(c) *Limitations on Exercise of Stock Appreciation Rights.* A Stock Appreciation Right shall be exercisable in whole or in such installments and at such times as determined by the Committee.

9. *PERFORMANCE SHARE AWARDS, PHANTOM STOCK AWARDS AND RESTRICTED STOCK UNIT AWARDS.*

(a) *Performance Share Awards.* A Performance Share Award is a right to receive shares of Common Stock or their cash equivalent based on the attainment of pre-established performance goals and such other conditions, restrictions and contingencies as the Committee shall determine. Each Performance Share Award may have a maximum value established by the Committee at the time of such Award. The Committee shall establish, with respect to and at the time of each Performance Share Award, a performance period or periods over which the performance applicable to the Performance Share Award of the Grantee shall be measured. The Committee shall

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determine the effect of termination of employment or service during the performance period on a Grantee's Performance Share Award, which shall be set forth in the Award Agreement.

(b) *Phantom Stock Awards.* Phantom Stock Awards are rights to receive an amount equal to the Fair Market Value of shares of Common Stock or rights to receive an amount equal to any appreciation or increase in the Fair Market Value of the Common Stock over a specified period of time, which may vest over a period of time as established by the Committee, without payment of any amounts by the Grantee thereof (except to the extent otherwise required by law) or satisfaction of any performance criteria or objectives. Each Phantom Stock Award may have a maximum value established by the Committee at the time of such Award. The Committee shall establish, at the time of grant of each Phantom Stock Award, a period over which the Award shall vest with respect to the Grantee, and terms and conditions of forfeiture, which shall be set forth in the Award Agreement.

(c) *Restricted Stock Unit Awards.* Restricted Stock Unit Awards are Awards denominated in units evidencing the right to receive shares of Common Stock, which may vest over a period of time as established by the Committee, without payment of any amounts by the Grantee thereof (except to the extent otherwise required by law) or satisfaction of any performance criteria or objectives. The Committee shall establish, at the time of grant of each Restricted Stock Unit Award, a period over which the Award shall vest with respect to the Grantee, and terms and conditions of forfeiture, which shall be set forth in the Award Agreement.

(d) *Payment.* Following the end of the performance period of a Performance Share Award or the determined vesting period for a Phantom Stock Award or a Restricted Stock Unit Award, the Grantee shall be entitled to receive payment of an amount, not exceeding the maximum value of the Award, if any, based on (1) the achievement of the performance measures for such performance period for a Performance Share Award or (2) the then vested value of the Phantom Stock Award or the number of shares of Common Stock evidenced by the Restricted Stock Unit Award, each as determined by the Committee. If awarded, cash dividend equivalents may be paid during, or may be accumulated and paid at the end of, the vesting period with respect to Phantom Stock Awards or Restricted Stock Unit Awards, as determined by the Committee.

10. CASH AWARDS AND PERFORMANCE AWARDS.

(a) *Cash Awards.* In addition to granting Options, Stock Appreciation Rights, Restricted Stock Awards, Performance Share Awards, Phantom Stock Awards and Restricted Stock Unit Awards, the Committee shall, subject to the limitations of the Plan, have authority to grant Cash Awards. Each Cash Award shall be subject to such terms and conditions, restrictions and contingencies as the Committee shall determine. Restrictions and contingencies limiting the right to receive a cash payment pursuant to a Cash Award shall be based upon the achievement of single or multiple Performance Objectives over a performance period established by the Committee. The determinations made by the Committee pursuant to this Section 10(a) shall be specified in the applicable Award Agreement.

(b) *Designation as a Performance Award.* The Committee shall have the right to designate any Award of Options, Stock Appreciation Rights, Restricted Stock Awards, Performance Share Awards and Phantom Stock Awards as a Performance Award. All Cash Awards shall be designated as Performance Awards.

(c) *Performance Objectives.* The grant or vesting of a Performance Award shall be subject to the achievement of Performance Objectives over a performance period established by the Committee based upon one or more of the following business criteria that apply to the Grantee, one or more business units, divisions or Subsidiaries of the Company or the applicable sector of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies: revenue; increased revenue; net income measures (including income after capital costs and income before or after taxes); profit measures (including gross profit, operating profit, economic profit, net profit before taxes and adjusted pre-tax profit); stock price measures (including growth measures and total

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stockholder return); price per share of Common Stock; market share; earnings per share or adjusted earnings per share (actual or growth in); earnings; earnings before interest, taxes, depreciation, and amortization (EBITDA); earnings before interest and taxes (EBIT); economic value added (or an equivalent metric); market value added; debt to equity ratio; cash flow measures (including cash flow return on capital, cash flow return on tangible capital, net cash flow and net cash flow before financing activities); return measures (including return on equity, return on assets, return on capital, risk-adjusted return on capital, return on investors

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capital and return on average equity); operating measures (including operating income, funds from operations, cash from operations, after-tax operating income; sales volumes, production volumes and production efficiency); expense measures (including overhead cost and general and administrative expense); changes in working capital; margins; stockholder value; total stockholder return; proceeds from dispositions; total market value; customer satisfaction or growth; employee satisfaction; and corporate values measures (including ethics compliance, environmental and safety). Unless otherwise stated, such a Performance Objective need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). The Committee shall have the authority to determine whether the Performance Objectives and other terms and conditions of the Award are satisfied, and the Committee's determination as to the achievement of Performance Objectives relating to a Performance Award shall be made in writing.

(d) *Section 162(m) of the Code.* Notwithstanding the foregoing provisions, if the Committee intends for a Performance Award to be granted and administered in a manner designed to preserve the deductibility of the compensation resulting from such Award in accordance with Section 162(m) of the Code, then the Performance Objectives for such particular Performance Award relative to the particular period of service to which the Performance Objectives relate shall be established by the Committee in writing (i) no later than 90 days after the beginning of such period and (ii) prior to the completion of 25% of such period.

(e) *Waiver of Performance Objectives.* The Committee shall have no discretion to modify or waive the Performance Objectives or conditions to the grant or vesting of a Performance Award unless such Award is not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code and the relevant Award Agreement provides for such discretion.

11. *GENERAL PROVISIONS REGARDING AWARDS.*

(a) *Form of Award Agreement.* Each Award granted under the Plan shall be evidenced by a written Award Agreement in such form (which need not be the same for each Grantee) as the Committee from time to time approves but which is not inconsistent with the Plan, including any provisions that may be necessary to assure that Awards satisfy the requirements of Section 409A of the Code to avoid the imposition of excise taxes thereunder, and that any Option that is intended to be an Incentive Stock Option will comply with Section 422 of the Code.

(b) *Awards Criteria.* In determining the amount and value of Awards to be granted, the Committee may take into account the responsibility level, performance, potential, other Awards and such other considerations with respect to a Grantee as it deems appropriate.

(c) *Date of Grant.* The date of grant of an Award will be the date specified by the Committee as the effective date of the grant of an Award on or following the date the Committee determines to grant the Award or, if the Committee does not so specify, will be the date on which the Committee makes the determination to grant such Award.

(d) *Stock Price.* The exercise price or other measurement of stock value relative to any Award shall be not less than 100% of the Fair Market Value of the shares of Common Stock for the date of grant of the Award. The exercise price of any Incentive Stock Option granted to a Ten Percent Shareholder shall not be less than 110% of the Fair Market Value of the shares of Common Stock for the date of grant of the Option.

(e) *Period of Award.* Awards shall be exercisable or payable within the time or times or upon the event or events determined by the Committee and set forth in the Award Agreement. Unless otherwise provided in an Award Agreement, Awards other than Restricted Stock Awards or Restricted Stock Unit Awards shall terminate on (and no longer be exercisable or payable after) the earlier of: (i) ten (10) years from the date of grant; (ii) for an Incentive

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Stock Option granted to a Ten Percent Shareholder, five (5) years from the date of grant of the Option; (iii) the 30th day after the Grantee is no longer serving in any capacity as an Employee, Consultant or Director of the Company for a reason other than death of the Grantee, Disability or retirement at or after the Normal Retirement Age; (iv) one year after death; or (v) one year (with respect to an Incentive Option) or five years (with respect to any other Award) after Disability of the Grantee or after his or her retirement at or after the Normal Retirement Age from any capacity as an Employee, Consultant or Director of the Company.

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(f) *Acceleration of Vesting or Lapse of Restrictions.* If the Grantee dies or becomes Disabled while serving as an Employee, Consultant or Director of the Company or retires at or after Normal Retirement Age, or if there occurs a Change in Control, then 100% of the benefits dependent upon lapse of time will become vested, all Forfeiture Restrictions and other forfeiture and repurchase provisions will lapse and, subject to meeting any performance or other criteria for such Award, such benefits will be available thereafter for purchase or payment during the Award term.

(g) *Transferability.* Awards granted under the Plan, and any interest therein, shall not be transferable or assignable by the Grantee, and may not be made subject to execution, attachment or similar process, otherwise than by will or by the laws of descent and distribution, and shall be exercisable or payable during the lifetime of the Grantee only by the Grantee; provided, that the Grantee may designate persons who or which may exercise or receive his Awards following his death. Notwithstanding the preceding sentence, (i) Awards other than Incentive Stock Options may be transferred to such family members, family member trusts, family limited partnerships and other family member entities as the Committee, in its sole discretion, may approve prior to any such transfer and (ii) Awards granted to non employee directors may be assigned with the consent of the Board. No such transfer will be approved by the Committee if the Common Stock issuable under such transferred Award would not be eligible to be registered on Form S-8 promulgated under the Securities Act.

(h) *Acquisitions and Other Transactions.* The Committee may, from time to time, approve the assumption of outstanding awards granted by another entity, whether in connection with an acquisition of such other entity or otherwise, by either (i) granting an Award under the Plan in replacement of or in substitution for the awards assumed by the Company, or (ii) treating the assumed award as if it had been granted under the Plan if the terms of such assumed award could be applied to an Award granted under the Plan. Such assumption shall be permissible if the holder of the assumed award would have been eligible to be granted an Award hereunder if the other entity had applied the rules of this Plan to such grant.

(i) *Payment.* Payment of an Award (i) may be made in cash, Common Stock or a combination thereof, as determined by the Committee in its sole discretion, (ii) shall be made in a lump sum or in installments as prescribed by the Committee in its sole discretion and (iii) to the extent applicable, shall be based on the Fair Market Value of the Common Stock for the payment or exercise date. The Committee may permit or require the deferral of payment, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest, dividend equivalents or other forms of investment return; provided, however, that if deferral is permitted, each provision of the Award shall be interpreted to permit the deferral only as allowed in compliance with the requirements of Section 409A of the Code and any provision that would conflict with such requirements shall not be valid or enforceable. The Committee intends that any Awards under the Plan satisfy the requirements of Section 409A of the Code to avoid the imposition of excise taxes thereunder.

(j) *Notice.* If an Award involves an exercise, it may be exercised only by delivery to the Company of a written exercise notice approved by the Committee, stating the number of shares of Common Stock being exercised, the method of payment, and such other matters as may be deemed appropriate by the Company in connection with the issuance of shares upon exercise, together with payment in full of any exercise price for any shares being purchased.

(k) *Withholding Taxes.* The Committee may establish such rules and procedures as it considers desirable in order to satisfy any obligation of the Company to withhold the statutory prescribed minimum amount of federal or state income taxes or other taxes with respect to any Award granted under the Plan. Prior to issuance of any shares of Common Stock, the Grantee shall pay or make adequate provision acceptable to the Committee for the satisfaction of the statutory minimum prescribed amount of any federal or state income or other tax withholding obligations of the Company, if applicable. Upon exercise or payment of an Award, the Company shall withhold or collect from the Grantee an amount sufficient to satisfy such tax withholding obligations.

(1) *Limitations on Exercise.* The obligation of the Company to issue any shares of Common Stock or otherwise make payments hereunder shall be subject to the condition that any exercise and the issuance and delivery of such shares and other actions pursuant thereto comply with the Securities Act, all applicable state securities and other laws and the requirements of any stock exchange or national market system upon which the shares of Common Stock may then be listed or quoted, as in effect on the date of exercise. The Company shall be under no obligation to

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register the shares of Common Stock with the Securities and Exchange Commission or to effect compliance with the registration, qualification or listing requirements of any state securities laws or stock exchange or national market system, and the Company shall have no liability for any inability or failure to do so.

(m) *Privileges of Stock Ownership.* Except as provided in the Plan with respect to Restricted Stock Awards, no Grantee will have any of the rights of a shareholder with respect to any shares of Common Stock subject to an Award until such Award is properly exercised and the purchased or awarded shares are issued and delivered to the Grantee, as evidenced by an appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to such date of issuance and delivery, except as provided in the Plan.

(n) *Breach; Additional Terms.* A breach of the terms and conditions of this Plan or established by the Committee pursuant to the Award Agreement shall cause a forfeiture of the Award. At the time of such Award, the Committee may, in its sole discretion, prescribe additional terms, conditions or restrictions relating to the Award, including provisions pertaining to the termination of the Grantee's employment (by retirement, Disability, death or otherwise) prior to expiration of the Forfeiture Restrictions or other vesting provisions. Such additional terms, conditions or restrictions shall also be set forth in an Award Agreement made in connection with the Award.

(o) *Prohibition on Repricing of Awards.* Except as provided in Section 12, the terms of outstanding Awards may not be amended to reduce the exercise price of outstanding Options or Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other awards or Options or Stock Appreciation Rights with an exercise price that is less than the exercise price of the original Options or Stock Appreciation Rights without stockholder approval.

12. ADJUSTMENT UPON CHANGES IN CAPITALIZATION AND CORPORATE EVENTS.

(a) *Capital Adjustments.* The number of shares of Common Stock (i) covered by each outstanding Award granted under the Plan, the exercise, target or purchase price of such outstanding Award, and any other terms of the Award that the Committee determines requires adjustment and (ii) available for issuance under Section 3 shall be adjusted to reflect, as deemed appropriate by the Committee, any increase or decrease in the number of shares of Common Stock resulting from a stock dividend, stock split, reverse stock split, combination, reclassification or similar change in the capital structure of the Company without receipt of consideration, subject to any required action by the Board or the shareholders of the Company and compliance with applicable securities laws; provided, however, that a fractional share will not be issued upon exercise of any Award, and either (i) any fraction of a share of Common Stock that would have resulted will be cashed out at Fair Market Value or (ii) the number of shares of Common Stock issuable under the Award will be rounded up to the nearest whole number, as determined by the Committee.

(b) *Change in Control.* Unless specifically provided otherwise with respect to Change in Control events in an individual Award or Award Agreement or in a then-effective written employment agreement between the Grantee and the Company or a Subsidiary, if, during the effectiveness of the Plan, a Change in Control occurs, (i) each Award which is at the time outstanding under the Plan shall automatically become fully vested and exercisable or payable, as appropriate, and be released from any repurchase or forfeiture provisions, for all of the shares of Common Stock at the time represented by such Award, (ii) the Forfeiture Restrictions applicable to all outstanding Restricted Stock Awards shall lapse and shares of Common Stock subject to such Restricted Stock Awards shall be released from escrow, if applicable, and delivered to the Grantees of the Awards free of any Forfeiture Restriction, and (iii) all other Awards shall become fully vested and payment thereof shall be accelerated using, if applicable, the then-current Fair Market Value to measure any payment that is based on the value of the Common Stock or using such higher amount as the Committee may determine to be more reflective of the actual value of such stock.

(c) *Section 409A Adjustments.* No adjustment or substitution pursuant to this Section 12 shall be made in a manner that results in noncompliance with the requirements of Section 409A of the Code, to the extent applicable.

13. *ADMINISTRATION.* This Plan shall be administered by the Committee. The Committee shall interpret the Plan and any Awards granted pursuant to the Plan and shall prescribe such rules and regulations in connection with the operation of the Plan as it determines to be advisable for the administration of the Plan. The Committee

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may rescind and amend its rules and regulations from time to time. The interpretation by the Committee of any of the provisions of this Plan or any Award granted under this Plan shall be final and binding upon the Company and all persons having an interest in any Award or any shares of Common Stock or other payments received pursuant to an Award.

14. *EFFECT OF PLAN.* Neither the adoption of the Plan nor any action of the Board or the Committee shall be deemed to give any Employee, Director or Consultant any right to be granted an Award or any other rights except as may be evidenced by the Award Agreement, or any amendment thereto, duly authorized by the Committee and executed on behalf of the Company, and then only to the extent and on the terms and conditions expressly set forth therein. The existence of the Plan and the Awards granted hereunder shall not affect in any way the right of the Board, the Committee or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation or other transaction involving the Company, any issue of bonds, debentures, or shares of preferred stock ranking prior to or affecting the Common Stock or the rights thereof, the dissolution or liquidation of the Company or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding by or for the Company. Nothing contained in the Plan or in any Award Agreement or in other related documents shall confer upon any Employee, Director or Consultant any right with respect to such person's service or interfere or affect in any way with the right of the Company or a Subsidiary to terminate such person's employment or service at any time, with or without cause.

15. *NO EFFECT ON RETIREMENT AND OTHER BENEFIT PLANS.* Except as specifically provided in a retirement or other benefit plan of the Company or a Subsidiary, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Subsidiary, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation.

16. *AMENDMENT OR TERMINATION OF PLAN.* The Board in its discretion may, at any time or from time to time after the date of adoption of the Plan, terminate or amend the Plan in any respect, including amendment of any form of agreement or instrument to be executed pursuant to the Plan; provided, however, that if an amendment of the Plan requires shareholder approval to comply with the Code, including Sections 162(m) and 422 of the Code, or other applicable laws and regulations or the applicable requirements of any stock exchange or national market system, the Company shall obtain stockholder approval of any Plan amendment in such manner and to such a degree as required. No Award may be granted after termination of the Plan. Any amendment or termination of the Plan shall not adversely affect Awards previously granted, and such Awards shall otherwise remain in full force and effect as if the Plan had not been amended or terminated, unless mutually agreed otherwise in a writing signed by the Grantee and the Company.

17. *EFFECTIVE DATE AND TERM OF PLAN.* The Plan as set forth herein shall continue in effect for a term of ten (10) years after the Effective Date unless sooner terminated by action of the Board.

18. *GOVERNING LAW.* The Plan shall be construed and interpreted in accordance with the laws of the State of Texas.

19. *DEFINITIONS.* As used herein, unless the context requires otherwise, the following terms shall have the meanings indicated below:

(a) *Award* means any right granted under the Plan, whether granted singly or in combination, to a Grantee pursuant to the terms, conditions and limitations that the Committee may establish.

- (b) *Award Agreement* means a written agreement, which may be in electronic form, with a Grantee with respect to any Award.
- (c) *Board* means the Board of Directors of the Company.
- (d) *Cash Award* means an Award granted under Section 10(a) of the Plan.
- (e) *Change in Control* of the Company means the occurrence of any of the following events: (i) any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial

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owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20 percent or more of the combined voting power of the Company's then outstanding securities (provided, that, with respect to each Award granted after December 1, 2009, the acquisition of additional voting securities by a person that, prior to such acquisition, is the beneficial owner of securities of the Company representing 20 percent or more of the combined voting power of the Company's then outstanding securities (a Controlling Person) shall not constitute a Change in Control hereunder); (ii) as a result of, or in connection with, any tender offer or exchange offer, merger, or other business combination (a Transaction), the persons who were directors of the Company immediately before the Transaction shall cease to constitute a majority of the Board of Directors of the Company or any successor to the Company; (iii) the Company is merged or consolidated with another corporation or transfers substantially all of its assets to another corporation and as a result of the merger, consolidation or transfer less than 50 percent of the outstanding voting securities of the surviving or resulting corporation shall then be owned in the aggregate by the former stockholders of the Company; or (iv) a tender offer or exchange offer is made and consummated for the ownership of securities of the Company representing 30 percent or more of the combined voting power of the Company's then outstanding voting securities (other than such a tender offer made and consummated by a Controlling Person).

(f) *Code* means the Internal Revenue Code of 1986, as amended, and any successor statute. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any Treasury regulations promulgated under such section.

(g) *Committee* means the committee, (or committees), as constituted from time to time, of the Board that is appointed by the Board to administer the Plan; provided, however, that while the Common Stock is publicly traded, the Committee shall be a committee of the Board consisting solely of two or more Outside Directors, in accordance with Section 162(m) of the Code, and/or solely of two or more Non-Employee Directors, in accordance with Rule 16b-3, as necessary in each case to satisfy such requirements with respect to Awards granted under the Plan. Within the scope of such authority, the Board or the Committee may delegate to a committee of one or more members of the Board who are or are not Non-Employee Directors the authority to grant Awards to eligible persons who are not then subject to Section 16 of the Exchange Act, and the term *Committee* as used herein shall also be applicable to such committee. The Board may assume any or all of the powers and responsibilities prescribed for the Committee, and to the extent it does so, the term *Committee* as used herein shall also be applicable to the Board.

(h) *Common Stock* means the Common Stock, \$0.01 par value per share, of the Company or the common stock that the Company may in the future be authorized to issue in replacement or substitution thereof.

(i) *Company* means NCI Building Systems, Inc., a Delaware corporation.

(j) *Consultant* means any person who is engaged by the Company or any Subsidiary to render consulting or advisory services to the Company or such Subsidiary and who is a consultant or advisor within the meaning of Rule 701 promulgated under the Securities Act or Form S-8 promulgated under the Securities Act.

(k) *Covered Employee* means the chief executive officer and the four other most highly compensated officers of the Company for whom total compensation is required to be reported to stockholders under Regulation S-K, as determined for purposes of Section 162(m) of the Code.

(l) *Director* means a member of the Board or the board of directors of a Subsidiary.

(m) *Disability* means the disability of a person as defined in a then effective long-term disability plan maintained by the Company that covers such person, or if such a plan does not exist at any relevant time, Disability means the permanent and total disability of a person within the meaning of Section 22(e)(3) of the Code. For purposes of

determining the time during which an Incentive Stock Option may be exercised under the terms of an Option Agreement, Disability means the permanent and total disability of a person within the meaning of section 22(e)(3) of the Code. Section 22(e)(3) of the Code provides that an individual is totally and permanently disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

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- (n) *Effective Date* means the date on which the Plan, as amended and restated herein, is approved by the Compensation Committee of the Board (subject to the further approval of the stockholders of the Company).
- (o) *Employee* means any person who is employed, within the meaning of Section 3401 of the Code, by the Company or a Subsidiary. The term *Employee* shall also include officers of the Company and its Subsidiaries. The provision of compensation by the Company or a Subsidiary to a Director solely with respect to such individual rendering services in the capacity of a Director shall not be sufficient to constitute *employment* by the Company or that Subsidiary.
- (p) *Exchange Act* means the Securities Exchange Act of 1934, as amended, and any successor statute. Reference in the Plan to any section of the Exchange Act shall be deemed to include any amendments or successor provisions to such section and any rules and regulations relating to such section.
- (q) *Fair Market Value* means, as of any date, the value of the Common Stock determined as follows:
- (i) If the Common Stock is listed on any established stock exchange or traded on the Nasdaq National Market or the Nasdaq SmallCap Market, the Fair Market Value of a share of Common Stock shall be the closing sales price for such a share of Common Stock (or the closing bid, if no sales were reported) as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the day of determination, or if no prices are quoted on such date, on the last market trading day prior to the day of determination, as reported in The Wall Street Journal or such other source as the Committee deems reliable.
- (ii) In the absence of any such established markets for the Common Stock, the Fair Market Value shall be determined in good faith by the Committee.
- (r) *Grantee* means an Employee, Director or Consultant to whom an Award has been granted under the Plan.
- (s) *Incentive Stock Option* means an Option granted to an Employee under the Plan that meets the requirements of Section 422 of the Code.
- (t) *NASD Dealer* means a broker-dealer that is a member of the National Association of Securities Dealers, Inc.
- (u) *Non-Employee Director* means a Director of the Company who either (i) is not an Employee, does not receive compensation (directly or indirectly) from the Company or a Subsidiary in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K), does not possess an interest in any other transaction as to which disclosure would be required under Item 404(a) of Regulation S-K and is not engaged in a business relationship as to which disclosure would be required under Item 404(b) of Regulation S-K or (ii) is otherwise considered a *non-employee director* for purposes of Rule 16b-3.
- (v) *Non-Qualified Stock Option* means an Option granted under the Plan that is not intended to be an Incentive Stock Option.
- (w) *Normal Retirement Age* means the age established by the Board from time to time as the normal age for retirement of a Director or Employee, as applicable. In the absence of a determination by the Board with respect to any class of Grantee, the Normal Retirement Age shall be deemed to be 65 years of age.
- (x) *Option* means an award granted under Section 6 of the Plan.
- (y) *Option Agreement* means a written agreement with a Grantee with respect to the Award of an Option.

(z) *Optionee* means an individual to whom an Option has been granted under the Plan.

(aa) *Outside Director* means a Director of the Company who either (i) is not a current employee of the Company or a Subsidiary corporation (within the meaning of the Treasury regulations promulgated under

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Section 162(m) of the Code), is not a former employee of the Company or a Subsidiary corporation receiving compensation for prior services (other than benefits under a tax qualified pension plan), has not been an officer of the Company or a Subsidiary corporation at any time and is not currently receiving (within the meaning of the Treasury regulations promulgated under Section 162(m) of the Code) direct or indirect remuneration from the Company or a Subsidiary corporation for services in any capacity other than as a Director, or (ii) is otherwise considered an outside director for purposes of Section 162(m) of the Code.

(bb) *Performance Award* means an Award made pursuant to Section 10 of the Plan to a Grantee that is subject to the attainment of one or more Performance Objectives.

(cc) *Performance Objective* means a standard established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

(dd) *Performance Share Award* means an Award granted under Section 9(a) of the Plan.

(ee) *Phantom Stock Award* means an Award granted under Section 9(b) of the Plan.

(ff) *Plan* means this NCI Building Systems, Inc. 2003 Long-Term Stock Incentive Plan, as set forth herein and as it may be amended from time to time.

(gg) *Qualifying Shares* means shares of Common Stock which either (i) have been owned by the Grantee for more than six (6) months and have been paid for within the meaning of Rule 144 promulgated under the Securities Act, or (ii) were obtained by the Grantee in the public market.

(hh) *Regulation S-K* means Regulation S-K promulgated under the Securities Act, as it may be amended from time to time, and any successor to Regulation S-K. Reference in the Plan to any item of Regulation S-K shall be deemed to include any amendments or successor provisions to such item.

(ii) *Restricted Stock Agreement* means a written agreement with a Grantee with respect to a Restricted Stock Award.

(jj) *Restricted Stock Award* means an Award granted under Section 7 of the Plan.

(kk) *Restricted Stock Unit Award* means an Award granted under Section 9(c) of the Plan.

(ll) *Rule 16b-3* means Rule 16b-3 promulgated under the Exchange Act, as it may be amended from time to time, and any successor to Rule 16b-3.

(mm) *Section* means a section of the Plan unless otherwise stated or the context otherwise requires.

(nn) *Securities Act* means the Securities Act of 1933, as amended, and any successor statute. Reference in the Plan to any section of the Securities Act shall be deemed to include any amendments or successor provisions to such section and any rules and regulations relating to such section.

(oo) *Stock Appreciation Right* means an Award granted under Section 8 of the Plan.

(pp) *Stock Appreciation Rights Agreement* means a written agreement with a Grantee with respect to an Award of Stock Appreciation Rights.

(qq) *Subsidiary* means (i) for purposes of Awards other than Incentive Stock Options, any corporation, partnership or other entity of which a majority of the voting equity securities or equity interest is owned, directly or indirectly, by the Company, and (ii) with respect to an Option that is intended to be an Incentive Stock Option, any subsidiary corporation of the Company as defined in Section 424(f) of the Code, any other entity that is taxed as a corporation under Section 7701(a)(3) of the Code and is a member of the Subsidiary group as defined in Section 1504(a) of the Code of which the Company is the common parent, and any other entity that may be permitted from time to time by the Code or by the Internal Revenue Service to be an employer of Employees to whom Incentive Stock Options may be granted.

(rr) *Ten Percent Shareholder* means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) at the time an Option is granted stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Subsidiaries.

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Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

Annual Meeting Proxy Card

PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A Proposals The Board of Directors recommends a vote **FOR** the listed nominees and **FOR** Proposals 2 - 5.

Director of Directors: Gary L. Forbes (term will expire in 2013)	For <input type="radio"/>	Withhold <input type="radio"/>	02	George Martinez (term will expire in 2013)	For <input type="radio"/>	Withhold <input type="radio"/>	03	Jonathan L. Zrebiec (term will expire in 2013)	For <input type="radio"/>
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2003 Amended and Restated Incentive Plan.	For <input type="radio"/>	Against <input type="radio"/>	Abstain <input type="radio"/>	3. Approval of an amendment to the Company's Certificate of Incorporation to effect a reverse stock split of the common stock of the Company.
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amendments to the Certificate of Incorporation.

Proposal 4A Proposal 4D Proposal 4G	For <input type="radio"/> <input type="radio"/> <input type="radio"/>	Against <input type="radio"/> <input type="radio"/> <input type="radio"/>	Abstain <input type="radio"/> <input type="radio"/> <input type="radio"/>	Proposal 4B Proposal 4E	For <input type="radio"/> <input type="radio"/>	Against <input type="radio"/> <input type="radio"/>	Abstain <input type="radio"/> <input type="radio"/>	Proposal 4C Proposal 4F	For <input type="radio"/> <input type="radio"/>	Against <input type="radio"/> <input type="radio"/>	Abstain <input type="radio"/> <input type="radio"/>
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5. Ratification of Ernst & Young LLP as the Company's auditor for fiscal 2010.	For <input type="radio"/>	Against <input type="radio"/>	Abstain <input type="radio"/>
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B Non-Voting Items

Change of Address - Please print new address below.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A C ON BOTH SIDES OF THIS CARD.

n 1UPX +
 014RXC

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PLEASE FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy NCI BUILDING SYSTEMS, INC.

+

THIS PROXY IS SOLICITED BY THE NCI BUILDING SYSTEMS, INC. BOARD OF DIRECTORS.

Proxy for Annual Meeting of Stockholders

February 19, 2010 10:00 A.M.

The share owner(s) whose signature(s) appear(s) on the reverse side of this Proxy hereby appoint(s) Norman C. Chambers and Todd R. Moore with or without others, proxies with full power of substitution and resubstitution to vote all shares of voting stock of the Company that the share owner(s) would be entitled to vote at the Annual Meeting of Stockholders of NCI Building Systems, Inc. (the Company), to be held on Friday, February 19, 2010 at 10:00 a.m., local time, at the NCI Conference Center located at 7313 Fairview, Houston, Texas 77041, and at any reconvened meeting following any adjournment or postponement thereof, as follows on the reverse side. Receipt of the Notice of Annual Meeting of Stockholders and the Proxy Statement dated January 14, 2010 is hereby acknowledged.

This Proxy is to be voted as specified on the reverse side. If no specification is made, this Proxy is to be voted FOR Proposal 1, FOR Proposal 2, FOR Proposal 3, FOR Proposal 4A, FOR Proposal 4B, FOR Proposal 4C, FOR Proposal 4D, FOR Proposal 4E, FOR Proposal 4F, FOR Proposal 4G, FOR Proposal 5, and IN THE DISCRETION OF THE PROXIES upon such other business as may properly come before the meeting.

PLEASE COMPLETE, SIGN, DATE AND PROMPTLY RETURN THE PROXY CARD USING THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

C Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please sign your name exactly as it appears above. Joint owners must each sign. When signing as an attorney, administrator, executor, guardian or trustee, please add your title as such. If held by a corporation, please sign in full corporate name by the president or other authorized officer. If held by a partnership, please sign in the partnership's name by an authorized partner or officer.

Date (mm/dd/yyyy) date below.	Please print	Signature 1 within the box.	Please keep signature	Signature 2 within the box.	Please keep signature
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/ /

n IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A C ON BOTH SIDES OF THIS CARD.+