

QUANEX CORP

Form 4

December 12, 2006

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
Number: 3235-0287  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
DAVIS SUSAN F

(Last) (First) (Middle)

1900 WEST LOOP SOUTH, SUITE  
1500

(Street)

HOUSTON, TX 77027

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
QUANEX CORP [NX]

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

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner  
☐ Officer (give title below) ☐ Other (specify below)

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

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

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
|                                       |                                         |                                                             | Code                                 | V Amount (D) Price                                                         |                                                                                                                    |                                                                      |                                                                   |

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

**Persons who respond to the collection of  
information contained in this form are not  
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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of<br>Derivative<br>Security | 2. Conversion<br>or Exercise | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any | 4. Transaction<br>Code | 5. Number of<br>Derivative<br>Securities | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) |
|---------------------------------------|------------------------------|-----------------------------------------|-----------------------------------------|------------------------|------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|
|                                       |                              |                                         |                                         |                        |                                          |                                                                |                                                                     |

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| (Instr. 3)                            | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) |        |     |                     |                    |                 |                                     |  |
|---------------------------------------|------------------------------------|------------------|------------|------------------------------------------------------------------|--------|-----|---------------------|--------------------|-----------------|-------------------------------------|--|
|                                       |                                    |                  | Code       | V                                                                | (A)    | (D) | Date<br>Exercisable | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of Shares |  |
| Phantom<br>Stock<br>Units <u>(1)</u>  | \$ 0 <u>(2)</u>                    | 12/08/2006       | A          |                                                                  | 34.616 |     | <u>(3)</u>          | <u>(3)</u>         | Common<br>Stock | 34,616                              |  |
| Phantom<br>Stock<br>Units <u>(4)</u>  | \$ 0 <u>(2)</u>                    | 12/08/2006       | A          |                                                                  | 6.923  |     | <u>(3)</u>          | <u>(3)</u>         | Common<br>Stock | 6,923                               |  |
| Restricted<br>Stock<br>Units          | <u>(5)</u>                         |                  |            |                                                                  |        |     | <u>(6)</u>          | <u>(6)</u>         | Common<br>Stock | 746                                 |  |
| Stock<br>Options<br>(Right to<br>buy) | \$ 15.7955                         |                  |            |                                                                  |        |     | 10/31/2002          | 10/31/2012         | Common<br>Stock | 4,500                               |  |
| Stock<br>Options<br>(Right to<br>buy) | \$ 17.8                            |                  |            |                                                                  |        |     | 10/31/2003          | 10/31/2013         | Common<br>Stock | 4,500                               |  |
| Stock<br>Options<br>(Right to<br>buy) | \$ 22.5333                         |                  |            |                                                                  |        |     | 10/31/2004          | 10/31/2014         | Common<br>Stock | 4,500                               |  |
| Stock<br>Options<br>(Right to<br>buy) | \$ 33.51                           |                  |            |                                                                  |        |     | 10/31/2006          | 10/31/2016         | Common<br>Stock | 3,388                               |  |
| Stock<br>Options<br>(Right to<br>buy) | \$ 38.6067                         |                  |            |                                                                  |        |     | 10/31/2005          | 10/31/2015         | Common<br>Stock | 3,042                               |  |

## Reporting Owners

| Reporting Owner Name / Address                      | Relationships |           |         |       |
|-----------------------------------------------------|---------------|-----------|---------|-------|
|                                                     | Director      | 10% Owner | Officer | Other |
| DAVIS SUSAN F<br>1900 WEST LOOP SOUTH<br>SUITE 1500 | X             |           |         |       |

HOUSTON, TX 77027

## Signatures

John J. Mannion, Power of  
Attorney

12/12/2006

                    \*\*Signature of Reporting Person

                    Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (2) Conversion price is 1-for-1.  
  
All units credited under the Deferred Compensation Plan are 100% vested at all times; provided, however, that if a participant receives a benefit from the Deferred Compensation Plan for any reason other than death, disability or retirement within three years after a deferral is credited to a participant's account, any matching awards made by the Company with respect to such deferral will be forfeited.
- (3) Distributions under the Deferred Compensation Plan are made beginning on a specified date selected by the participant or upon a participant's death, disability, or termination of employment.
- (4) Represents units credited to a participant's account under the Deferred Compensation Plan as a result of the Company's 20% matching award of the participant's deferral of income or fees, as the case may be.
- (6) The restricted stock unit will vest immediately, but will not be payable until death, disability or cessation of service on the board or change of control.
- (5) Each restricted stock unit represents a contingent right to receive cash in an amount equivalent to the value of one share of NX common stock.
- (1) Units that are credited to the participants account under the Quanex Corporation Deferred Compensation Plan as a result of the participant's deferral of income or fees, as the case may be.

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