

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

FORM 8-K

CURRENT REPORT

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

**Date of Report: August 2, 2011
(Date of earliest event reported)**

APOGEE ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 0-6365

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

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

**4400 West 78th Street – Suite 520
Minneapolis, Minnesota 55435**
(Address of principal executive offices, including zip code)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) Retirement of Russell Huffer as Chief Executive Officer, President and Director

In connection with the appointment of the new Chief Executive Officer of Apogee Enterprises, Inc. (the “*Company*”) described below, on August 22, 2011, Russell Huffer will retire from the positions of Chief Executive Officer and President of the Company. In addition, on August 22, 2011, Mr. Huffer will retire from the Company’s Board of Directors (the “*Board*”). Information regarding the Company’s separation compensation arrangements with Mr. Huffer was provided in the Company’s Current Report on Form 8-K/A filed with the Securities and Exchange Commission on May 6, 2011.

(c) Appointment of Joseph F. Puishys as Chief Executive Officer; Compensation Arrangements with Mr. Puishys

On August 2, 2011, the Board elected Joseph F. Puishys to succeed Mr. Huffer as the Company’s Chief Executive Officer, effective as of August 22, 2011 (the “*Commencement Date*”), subject to the Company and Mr. Puishys entering into an employment agreement.

Mr. Puishys, age 53, has served in various roles at Honeywell International, Inc. (“*Honeywell*”), a manufacturer of aerospace and automotive products; control technologies for buildings, homes and industry; power generation systems; specialty chemicals; fibers; plastics; electronic and advanced materials, since 1979. Since 2008, Mr. Puishys served as President of Honeywell Environmental and Combustion Controls, a business within Honeywell’s Automation and Control Solutions (“*ASC*”) group that provides integrated product solutions in heating, ventilation, cooling and refrigeration, air purification, zoning, humidification, air conditioning, water controls and processes, electrical devices and systems, lighting control, buildings and industrial controls, switches, sensors and controllers. From December 2004 through 2008, Mr. Puishys served as President of Honeywell Building Solutions, a segment of the ACS business group and a global leader in the installation and service of integrated building solutions, including heating, ventilation, air conditioning, fire and security. Prior to joining ACS, Mr. Puishys was President of Bendix Friction Materials in Honeywell’s Transportation Systems business from 2002 to 2004. Before leading Bendix Friction Materials, Mr. Puishys served in a variety of positions in Honeywell’s Transportation Systems business and served in numerous executive and financial positions across Honeywell’s businesses. Mr. Puishys does not have a direct or indirect material interest in any currently proposed transaction to which the Company is to be a participant in which the amount involved exceeds \$120,000, nor has Mr. Puishys had a direct or indirect material interest in any such transaction since the beginning of the Company’s last fiscal year.

On August 5, 2011, Mr. Puishys and the Company entered into an Employment Agreement, to be effective as of the Commencement Date (the “*Employment Agreement*”), setting forth the terms pursuant to which Mr. Puishys will serve as the Company’s Chief Executive Officer. The Employment Agreement has a three-year term ending on August 22, 2014 (the “*Term*”). Pursuant to the Employment Agreement, Mr. Puishys is entitled to:

- base salary, initially in the amount of \$600,000 per year;
- the Signing Bonus described below;
- participate in the Company’s annual incentive plan beginning in fiscal 2013 (*i.e.*, the fiscal year commencing on March 4, 2012), pursuant to which Mr. Puishys’s target incentive bonus shall be an amount equal to 100% of his annual base salary for that fiscal year;
- participate in the health, welfare and pension benefit programs offered generally by the Company to its executive officers, and up to 20 days of paid vacation per calendar year;
- shares of time-based restricted stock of the Company that vest in equal annual increments over a three-year period, to be awarded with respect to fiscal 2013, the target value of which shall be \$400,000 and the actual award of which could be between 100% and 160% of the target award value, depending on achievement of certain business objectives for fiscal 2012;

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- performance share units to be awarded with respect to the 2013-2015 fiscal year performance cycle, the target value of which shall be \$600,000 and the actual value of the shares to be awarded pursuant to which could be between 0% and 200% of the target award value, depending on the achievement of certain business objectives over the three-year period; and
 - reimbursement of up to \$25,000 for legal counsel and other adviser fees incurred by Mr. Puishys in connection with the negotiation and execution of the Employment Agreement.

In connection with Mr. Puishys's commencement of employment with the Company, and to replace forfeited compensation earned by Mr. Puishys at his previous employer, the Employment Agreement provides that Mr. Puishys shall receive the following (collectively, the "*Signing Bonus*"):

- a cash bonus in the amount of \$500,000, which shall be payable to Mr. Puishys following the end of fiscal 2012 in accordance with the terms of the Employment Agreement;
- shares of time-based restricted stock of the Company valued at \$1,300,000, which will vest in equal annual increments over a five-year period;
- options to purchase shares of the Company's stock valued (using a Black-Scholes valuation) at \$1,300,000, which will vest in equal annual increments over a three-year period; and
- unrestricted shares of the Company's common stock valued at \$500,000.

The equity grant components of the Signing Bonus, which will be granted as of the Commencement Date, are being made as "inducement grants" pursuant to NASDAQ Stock Market Listing Rule 5635(c)(4) such that the shares of the Company's common stock issuable pursuant to such grants shall not be deducted from shares authorized under the Company's 2009 Stock Incentive Plan previously approved by the Company's shareholders. Copies of the restricted stock and option award agreements to be executed in connection with the equity granted as part of the Signing Bonus are attached hereto as Exhibit 10.2 and Exhibit 10.3, respectively, and are incorporated herein by reference.

The Employment Agreement provides that, if Mr. Puishys's employment is terminated during the Term by the Company without "Cause" (as defined in the Employment Agreement) or by him for "Good Reason" (as defined in the Employment Agreement), and Mr. Puishys executes a written release substantially in the form attached as an exhibit to the Employment Agreement, Mr. Puishys shall be entitled to:

- severance equal in amount to three, two or one times the sum of Mr. Puishys's annual base salary plus target annual bonus if the termination occurs prior to the first, second or fifth anniversary of the Commencement Date, respectively;
- a lump sum payment equal to an amount equivalent to the cost of insurance premiums sufficient to pay for the continuation of medical and dental insurance for the applicable severance period;
- automatic acceleration of any unvested Signing Bonus equity awards; and
- any previously earned but unpaid amounts to which he was entitled as of the date of termination.

The Employment Agreement further provides that, if Mr. Puishys's employment is terminated during the Term because Mr. Puishys dies or becomes "Totally Disabled" (as defined in the Employment Agreement), Mr. Puishys or his spouse or estate, as the case may be, shall be entitled to:

- any amounts due to Mr. Puishys for base salary through the date of termination; and
- any other unpaid amounts to which Mr. Puishys is entitled as of the date of termination, including any amounts that Mr. Puishys is entitled to under any benefit plan of the Company in accordance with the terms of such plan.

Mr. Puishys will enter into a Change in Control Severance Agreement (“*CIC Agreement*”) with the Company, effective as of the Commencement Date, consistent with the form of agreement described in, and attached to, the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on March 3, 2011. The multiplier to be used for determining Mr. Puishys’s severance payments pursuant to the *CIC Agreement* is two, and the number of months for which the medical and dental insurance coverage will be provided and the noncompetition obligations will be in effect for Mr. Puishys pursuant to the *CIC Agreement* is 24 months.

The Employment Agreement provides that it shall supersede and replace in their entirety any and all other policies and agreements to which Mr. Puishys and the Company are a party that provide severance or continuation of income payments to Mr. Puishys or his family following his termination of employment with the Company, except the *CIC Agreement*. The Employment Agreement shall be superseded and replaced in its entirety by the *CIC Agreement* on the “Effective Date” (as defined in the *CIC Agreement*) or upon the termination, prior to the Effective Date, of Mr. Puishys’s employment by (1) the Company without Cause or (2) Mr. Puishys for Good Reason, where the effect of such termination is to entitle Mr. Puishys to receive the benefits described in Sections 4 and 5 of the *CIC Agreement* as a result of the occurrence of an event or circumstance described in Section 2(b)(iii) of the *CIC Agreement*.

The Employment Agreement prohibits Mr. Puishys from engaging in any business activities that are competitive with any of the businesses conducted by the Company or its affiliates during his employment with the Company and for a period of two years after termination of his employment. In addition, pursuant to the Employment Agreement, for a period of two years after termination of his employment, Mr. Puishys shall not: (1) hire or attempt to hire any employee of the Company or any of its affiliates, attempt to influence any such person to terminate employment with the Company or its affiliate or induce or attempt to induce any employee of the Company or its affiliate to work for, render services to, provide advice to, or supply confidential business information or trade secrets of the Company or its affiliates to any third person, firm or corporation or (2) induce or attempt to induce any customer, supplier, licensee, licensor or other business relation of the Company or any its affiliates to cease or reduce doing business with the Company or its affiliate, or in any way interfere with the relationship between any such customer, supplier, licensee, licensor or other business relation and the Company or its affiliate.

The foregoing description of the Employment Agreement is not complete and is qualified in its entirety by reference to the Employment Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

(d) Election of Joseph F. Puishys as a Director

On August 2, 2011, the Board elected Joseph F. Puishys to serve as a member of the Company’s Board, effective as of August 22, 2011. Mr. Puishys will receive no additional compensation for his service as a director. Other than as described above, there are no arrangements or understandings between Mr. Puishys and any other persons pursuant to which Mr. Puishys was selected as a director of the Company.

Item 7.01 Regulation FD Disclosure.

A press release, dated August 8, 2011, announcing the change in the Company’s Chief Executive Officer described above is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Employment Agreement between Apogee Enterprises, Inc. and Joseph F. Puishys, made and entered into as of August 5, 2011, to be effective as of August 22, 2011.*
- 10.2 Form of Restricted Stock Agreement to be entered into by Apogee Enterprises, Inc. and Joseph F. Puishys on August 22, 2011.*
- 10.3 Form of Option Agreement to be entered into by Apogee Enterprises, Inc. and Joseph F. Puishys on August 22, 2011.*
- 99.1 Press Release issued by Apogee Enterprises, Inc. dated August 8, 2011.*

* Filed herewith

SIGNATURE

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

APOGEE ENTERPRISES, INC.

By: /s/ James S. Porter

James S. Porter
Chief Financial Officer

Date: August 8, 2011

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
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99.1	Press Release issued by Apogee Enterprises, Inc. dated August 8, 2011.*

* Filed herewith

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered as of August 5, 2011, to be effective as of the "Commencement Date" (as defined below), between Apogee Enterprises, Inc., a Minnesota corporation (the "Company"), and Joseph F. Puishys (the "Executive"), a resident of Minnesota.

RECITALS

WHEREAS, the Company wishes to employ the Executive as the Company's Chief Executive Officer, and the Executive desires to accept and to serve as the Company's Chief Executive Officer;

WHEREAS, the Company and the Executive understand that such employment is expressly conditioned on execution of this Agreement; and

WHEREAS, the Company desires to employ the Executive as Chief Executive Officer, and the Executive desires to be employed by the Company in that capacity, pursuant to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the Executive's employment as the Company's Chief Executive Officer and the foregoing premises, the mutual covenants set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Executive agree as follows:

ARTICLE I: EMPLOYMENT, TERM AND DUTIES

1.1 **Employment**. The Company hereby employs the Executive as Chief Executive Officer, and the Executive accepts such employment and agrees to perform services for the Company, for the period and upon the other terms and conditions set forth in this Agreement. Effective as of the "Commencement Date" (as defined in Section 1.2 hereof), the Company's Board of Directors (the "Board") hereby elects the Executive as a member of the Board, to serve until the next annual meeting of the Company's shareholders.

1.2 **Term**. The Executive's employment with the Company shall commence on August 22, 2011 (the "Commencement Date"), and, unless earlier terminated pursuant to the terms of Article III hereof, shall be for a period of three (3) years, extending through August 22, 2014 (such employment period being referred to herein as the "Term").

1.3 Position and Duties.

1.3.1 **Service with the Company**. The Executive agrees to serve as the Company's Chief Executive Officer with such authority, power, responsibilities and duties (a) as are set forth for that position in the By-laws of the Company; (b) as the Board shall assign to the Executive from time to time; and (c) that the Executive undertakes or accepts consistent

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with his position as Chief Executive Officer. The Executive acknowledges and agrees that, from time to time, he will be required to perform duties with respect to one or more of the Company's "Affiliates," and that he will not be entitled to any additional compensation for performing those duties. The Executive shall report directly to the Board. As used herein, the term "Affiliate" means a company which is directly, or indirectly through one or more intermediaries, controlled by or under common control with another company, where "control" shall mean the right, either directly or indirectly, to elect the majority of the directors (general partners, managers or equivalent) thereof without the consent or acquiescence of any third party.

The Executive also agrees to serve, for any period for which the Executive is elected, as a member of the Board or as a director or officer of any Affiliate; *provided, however*, that the Executive shall not be entitled to any additional compensation for serving in any of such capacities.

Upon termination of Executive's employment, for whatever reason, Executive agrees to resign immediately from the Board and from all Affiliate boards of directors on which he is then currently serving.

- 1.3.2 **Performance of Duties.** During the Term, the Executive agrees to serve the Company faithfully and to the best of the Executive's ability and to devote the Executive's full business time, attention and efforts to the business and affairs of the Company (exclusive of any period of vacation, sick, disability, or other leave to which the Executive is entitled).

The Executive hereby confirms that, during the Term, the Executive will not render or perform services for any other corporation, firm, entity or person that are inconsistent with the provisions of this Agreement, whether or not such activity is pursued for gain, profit, or other pecuniary advantage.

The rest of this Section 1.3.2 notwithstanding, the Executive may (a) serve on the board of one for-profit and other non-profit corporations (subject to the Executive having obtained the prior approval of the Chair of the Board's Nominating and Corporate Governance Committee to serve on such a board in accordance with all of the Company's policies, including, without limitation, the Company's policy regarding conflicts of interest); (b) participate in industry organizations; (c) deliver lectures or fulfill speaking engagements; and (d) manage personal investments, so long as the activities referred to in clauses (a) through (d) above do not materially interfere with the performance of the Executive's responsibilities under this Agreement. Notwithstanding the terms of clause (a) of the preceding sentence, the Executive agrees to resign from any and all boards of for-profit or non-profit corporations, as and when requested to do so by the

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Board at any time during the Term if, in its good faith judgment, the Board determines that such service (or continued service) by the Executive is not in the best interests of the Company.

The Executive will perform all of the Executive's responsibilities in compliance in all material respects with all applicable laws and with all of the applicable policies generally in effect for employees of the Company or any applicable policies of the Company Affiliate for which the Executive performs services, including without limitation, the Company's Code of Business Ethics and Conduct and related policies, as the same may be amended from time to time.

- 1.3.3 **No Conflicting Obligations.** The Executive represents that: (a) his acceptance of employment under the terms of this Agreement and his performance of the duties specified above will not conflict with any contractual or other obligations which he may owe to any former employers or other third parties, and (b) his performance of these duties will not require the disclosure of confidential information acquired by the Executive in confidence or in trust prior to Executive's employment with the Company. Executive agrees to indemnify the Company and hold it harmless against any and all liabilities or claims arising out of any unauthorized act or acts by the Executive that are in violation of or constitute a breach of any such obligations. Executive agrees that he will not, hereafter, enter into any agreement, whether written or oral, which conflicts with his obligations under this Agreement.

ARTICLE II. COMPENSATION, BENEFITS AND EXPENSES

2.1 **Base Salary.** As his initial base compensation for all services he renders under this Agreement, the Executive shall receive an annualized base salary ("Annual Base Salary") of Six Hundred Thousand Dollars (\$600,000.00), starting on the Commencement Date. The Annual Base Salary shall be paid in accordance with the Company's normal payroll procedures and policies, as such procedures and policies may be modified from time to time. The Annual Base Salary shall be reviewed and adjusted in the sole discretion of the Board's Compensation Committee (the "Committee") according to a schedule and in a manner consistent with the Company's practices for salary adjustment for senior executives, which practices may be revised from time to time; provided, however, that, without the Executive's consent, the Annual Base Salary may be reduced no more than 10% in connection with an across-the-board salary reduction by the Company similarly affecting all senior executives of the Company.

2.2 **Incentive Compensation.** While the Executive holds the position of Chief Executive Officer of the Company and the Company's Amended and Restated Executive Management Incentive Plan (the "EMIP") remains in effect, the Committee shall designate the Executive as a participant in the EMIP, subject to and in accordance with the terms and conditions thereof, including any goals the Committee establishes to govern the EMIP for any

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fiscal year. For the 2013 fiscal year (commencing in March 2012), Executive's target incentive bonus under the EMIP shall be an amount equal to 100% of the Annual Base Salary actually paid to the Executive for that fiscal year.

2.3 **Signing Bonus.** In connection with Executive's execution and delivery of this Agreement and commencement of employment with the Company, and to replace forfeited compensation earned at his previous employer, the Board has (i) granted to Executive, effective as of the Commencement Date and pursuant to the terms of award agreements (to be entered into by the Company and the Executive), the equity awards set forth on Exhibit A hereto and (ii) agreed to pay to the Executive a cash bonus, as further set forth on Exhibit A hereto (collectively, the "**Signing Bonus**").

2.4 **Benefit Plans:** During the Term, the Executive shall be entitled to participate in the employee health and welfare and pension benefits programs offered generally by the Company to its executive employees, to the extent that the Executive's position, tenure, salary, health, and other qualifications make the Executive eligible to participate. Such plans currently include, without limitation, the Company's medical, dental and disability plans, and its executive deferred incentive compensation plan and 401(k) retirement plan, and reimbursement of financial and estate planning fees of up to \$2,000 annually. The Executive's participation in such benefits shall be subject to the terms of the applicable plans, as the same may be amended from time to time. The Company does not guarantee the adoption or continuance of any particular employee benefit or benefit plan during the Term, and nothing in this Agreement is intended to, or shall in any way restrict the right of the Company, to amend, modify or terminate any of its benefits or benefit plans during the Term.

2.5 **Fiscal 2013 Restricted Stock Award.** The Executive will be eligible to receive an award of time-based restricted stock, in accordance with the terms of the Company's 2009 Stock Incentive Plan (the "**2009 Stock Plan**") and the Company's standard form of time-based restricted stock award agreement, when the Committee meets in March or April of 2012 with respect to the 2013 fiscal year annual awards. The specific amount of restricted shares to be awarded will be based upon the achievement by the Executive of certain mutually agreed business objectives for the fiscal 2012 year. The target value of such award shall be \$400,000, to be determined as of the date of grant, using the closing price per share of the Company's Common Stock on such date. The actual award may be more, but not less, than the target, depending on achievement of the business objectives. The actual award to be made shall be in the range of 100% to 160% of the target award, and all such awarded shares shall vest in three equal, annual installments, with the first vesting to occur on the first anniversary of the date of grant.

2.6 **Fiscal 2013 Performance Share Unit Award.** The Executive will be eligible to receive an award of performance share units ("**PSUs**"), in accordance with the terms of the 2009 Stock Plan and the Company's standard form of performance share unit award agreement, when the Committee meets in March or April of 2012 with respect to the 2013-2015 fiscal year performance cycle. The target value of this PSU award shall have a value of \$600,000, measured as of the date of grant. The actual award may be more or less than the target, depending on achievement, over the full three-year period, of the business objectives determined

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by the Committee at the time of grant. The actual award to be made shall be in the range of 0% to 200% of the target award, and the shares of Common Stock that are issued at the end of the three-year performance period are immediately vested. Dividends with respect to the shares underlying the PSUs will accrue during the three-year performance period and will be paid only on shares earned as of the end of the performance period.

2.7 **Additional Equity Grants.** The Executive will be eligible for consideration for additional grants of equity in the Company beginning with the fiscal year 2013 Company equity grant cycle (as set forth in Sections 2.5 and 2.6 above), and in conformity with the practices and procedures of the Committee as in effect at such time. During the Term, the Executive shall be entitled to participate in the equity plans offered generally by the Company to its executive employees, to the extent that the Executive's position, tenure, salary and other qualifications make the Executive eligible to participate. In addition to the Stock Plan, such plans include the employee stock purchase plan of the Company.

2.8 **Stock Ownership Guidelines.** The Executive shall use commercially reasonable efforts to comply with the Company's stock ownership guidelines for its executive officers, as such guidelines may be amended from time to time. For the Chief Executive Officer, those guidelines encourage stock ownership, within five years of becoming such officer, of an amount of stock equal in value to five times the Chief Executive Officer's base salary. Stock ownership calculation shall be determined in accordance with the terms of the Company's stock ownership guidelines.

2.9 **Expenses.** During the Term, the Executive shall be entitled to reimbursement for all reasonable business expenses he incurs in carrying out his duties under this Agreement in accordance with the policies and practices of the Company for submission of expense reports, receipts, or similar documentation of such expenses as in effect from time to time by the Company.

2.10 **Vacation.** The Executive shall be entitled to take up to 20 days of paid vacation per calendar year, subject to ensuring that the business and affairs of the Company shall be continued in normal fashion during his absence. Any unused vacation shall not be carried over into successive years and shall not have any cash value to the Executive.

ARTICLE III: TERMINATION OF EMPLOYMENT

3.1 **Termination.** The Executive's employment under this Agreement may be terminated during the Term as described in this Article III.

3.1.1 **Death or Disability.** The Executive's employment shall terminate automatically upon the Executive's death. The Executive's employment shall terminate in the event the Executive becomes "Totally Disabled." For purposes of this Agreement, "Totally Disabled" means "totally disabled" as defined in the Company's Group Long-Term Disability Plan applicable to senior executives as in effect on the Commencement Date, and as may be amended from time to time thereafter.

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3.1.2 **Termination by the Company for Cause.** The Company may terminate this Agreement and the Executive's employment hereunder for Cause at any time after providing written notice to the Executive. For purposes of this Agreement, "Cause" means:

- (a) the failure or refusal of the Executive to perform substantially the Executive's duties hereunder (other than as a result of total or partial incapacity due to physical or mental illness) including any breach of the Executive's obligations under Section 1.3 hereof and any breach of the Executive's fiduciary duties to the Company (including the Executive's appropriation or attempted appropriation of a material business opportunity of the Company);
- (b) the engaging by the Executive in intentional or willful misconduct which is materially injurious to the reputation, business, financial condition or business relationships of the Company or the Executive's reputation or business relationships;
- (c) perpetration of an intentional fraud against or affecting the Company or any customer, supplier, client, agent, or executive thereof;
- (d) conviction (including conviction on a *nolo contendere* plea) of a felony or any crime involving fraud, dishonesty or moral turpitude; or
- (e) the breach of any covenant set forth in Article IV or V hereof;

provided, however that:

- (i) a termination pursuant to clauses (b) or (c) shall not become effective unless the Company has delivered written notice to the Executive describing Executive's actions constituting "Cause" and the Executive has failed to convince the Board within fifteen business (15) days thereafter that his actions did not constitute "Cause" as described in such notice; and
- (ii) a termination pursuant to clauses (a) or (e) above, if susceptible of cure, shall not become effective unless the Executive fails to cure such failure to perform or breach within forty-five (45) days after written notice from the Company identifying what reasonable actions shall be required to cure such failure to perform.

3.1.3 **Termination by the Company without Cause.** The Company may terminate this Agreement and the Executive's employment hereunder for any reason or no reason at any time after providing written notice to the Executive. If the Company terminates the Executive's employment for any reason other than Cause, then the terms of Section 3.2.3 shall apply.

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3.1.4 **Termination by the Executive For Good Reason.** The Executive may terminate his employment for Good Reason during the Term. For purposes of this Agreement, “Good Reason” means:

- (a) except with the Executive’s written consent given in the Executive’s discretion, the assignment to the Executive of any position and/or duties which represent or otherwise entail a material diminution in the Executive’s position (including status, office, title and reporting requirements), authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial or inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of written notice thereof given by the Executive, but including any diminution attributable to the fact that the Company is no longer a public company;
- (b) any material reduction in the Executive’s aggregate compensation and incentive opportunities (other than a reduction that applies generally to all senior executive officers of the Company);
- (c) the failure by the Board to nominate the Executive as a candidate to serve as a member of the Board;
- (d) a requirement to relocate his principal residence to a location other than the Twin Cities metropolitan region; or
- (e) the material breach by the Company of any of its obligations under this Agreement.

The Executive shall have Good Reason to terminate his employment if (i) within forty-five (45) days following the Executive’s actual knowledge of the event which the Executive determines constitutes Good Reason, he notifies the Company in writing that he has determined a Good Reason exists and specifies the event creating Good Reason, (ii) following receipt of such notice, the Company fails to remedy such event within forty-five (45) days, and (iii) the Executive terminates his employment within thirty (30) days after the end of such cure period. If any of the conditions is not met, the Executive shall not have a Good Reason to terminate his employment.

3.1.5 **Continuation of Provisions.** Notwithstanding any termination of the Executive’s employment with the Company, the Executive, in consideration of the Executive’s employment hereunder to the date of employment termination (the “Termination Date”), shall remain bound by the provisions of this Agreement which specifically relate to periods, activities or obligations upon or subsequent to the termination of the Executive’s employment, including, but not limited to, the covenants contained in Articles IV and V hereof.

3.1.6 **Surrender of Records and Property.** Upon any termination of the Executive’s employment with the Company, the Executive shall deliver promptly to the

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Company the Executive's security access card, and all records, manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, computer disks, computer software, computer programs (including source code, object code, on-line files, documentation, testing materials and plans and reports), designs, drawings, formulae, data, tables or calculations or copies thereof, which are the property of the Company or any Company Affiliate or which relate in any way to the business, products, practices or techniques of the Company or any Company Affiliate, and all other property, trade secrets and "Confidential Information" (as defined in Section 4.1) of the Company or any Company Affiliate, including, but not limited to, all tangible, written, graphical, machine readable and other materials (including all copies) which in whole or in part contain any trade secrets or Confidential Information of the Company or any Company Affiliate which in any of these cases are in the Executive's possession or under the Executive's control. This includes all copies or specimens in the Executive's possession, whether prepared or made by others or the Executive. Upon any termination of the Executive's employment, the Executive shall also refrain from accessing the Company's files via computer or modem. The Executive shall acknowledge in writing the return of all such materials, when requested to do so by the Company.

Notwithstanding the foregoing, the Executive shall be entitled to retain one copy of this Agreement, any stock option, restricted stock, PSU or other plan or agreement with the Company pursuant to which the Executive retains any rights at the Termination Date, and documentation provided to the Executive during his employment relating to such compensation or benefits.

3.2 Compensation Following Termination of Employment. Upon the termination of the Executive's employment with the Company, the Executive shall be entitled only to the following compensation and benefits upon such termination:

3.2.1 Termination by Reason of the Executive's Death or Total Disability. In the event that the Executive's employment is terminated by reason of the Executive's death or Total Disability, then the Company shall pay the following amounts to the Executive, the Executive's spouse or his estate, as the case may be: (a) any amounts due to the Executive for Annual Base Salary through the date of employment termination, together with (b) any other unpaid amounts to which the Executive is entitled as of the Termination Date pursuant to Article II of this Agreement, including, without limitation, amounts that the Executive is entitled to under any benefit plan of the Company in accordance with the terms of such plan.

Except as otherwise set forth above (or in any applicable award agreement between the Company and the Executive which is in effect on the Termination Date hereunder), the Executive will have no rights to any unvested benefits or any other compensation or payments coming due after the Termination Date.

3.2.2 Termination by the Company for Cause or by the Executive Without Good Reason. If the Executive's employment is terminated by the Company for Cause or the Executive voluntarily terminates employment without Good Reason, the Company shall pay to the Executive (a) any Annual Base Salary earned but not paid through the Termination Date, plus (b) the amount of any other benefits to which the Executive is legally entitled as of the Termination Date under the terms and conditions of any benefit plans of the Company in which the Executive is participating as of the Termination Date. The Company shall have no further obligations under this Agreement.

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3.2.3 **Termination by the Executive for Good Reason or by the Company Without Cause.** In the event that the Executive's employment is terminated by the Executive for Good Reason or by the Company without Cause, and provided that the Executive has executed a written release to the Company in substantially the same form attached hereto as Exhibit B and the rescission period specified therein has expired, the Company shall, within forty-five (45) days of the Termination Date, pay the following amounts to the Executive; *provided, however*, that, if the 45-day period begins in one calendar year and ends in a second calendar year, the such severance payment shall be paid in the second calendar year:

- (a) as severance, a multiple of the Executive's then-current level of Annual Base Salary *plus* then-current level of target bonus under the EMIP (or its equivalent at the Termination Date), as set forth below, payable in accordance with regular Company payroll practices:

<u>Year of Termination</u>	<u>Severance Multiple</u>
Commencement Date through the day prior to the first anniversary of the Commencement Date	Three times (3X)
First anniversary of Commencement Date through the day prior to the second anniversary of the Commencement Date	Two times (2X)
Second anniversary of Commencement Date through the day prior to the fifth anniversary of the Commencement Date	One times (1X)
Fifth anniversary of Commencement Date and thereafter	Zero times (0X) (<i>i.e.</i> , no special severance payment under the terms of this Agreement)

- (b) A lump sum payment, equal to an amount equivalent to the cost, at the Termination Date, of insurance premiums sufficient to pay for the continuation of medical and dental insurance for the applicable severance period, as set forth in the above table, based on the coverage level and coverage options in place at the time of the Executive's employment termination date;
- (c) Automatic acceleration of any unvested Signing Bonus awards; all other unvested equity awards held by Executive would be treated in accordance with the terms of the applicable award agreement;

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- (d) any Annual Base Salary earned but not paid through the Termination Date;
 - (e) any reimbursable expenses incurred prior to the Termination Date by the Executive in accordance with Section 2.9 that have not been reimbursed by the Company as of the Termination Date;
 - (f) any compensation previously earned, paid to and deferred by the Executive (including any earnings thereon accrued to an account designated for the benefit of the Executive) in accordance with the terms and conditions of any deferred compensation plan of the Company in which the Executive is participating as of the Termination Date, in all cases, to the extent such deferred compensation and/or earnings thereon have vested as of the Termination Date; and
 - (g) any other unpaid amounts to which the Executive is entitled as of the Termination Date pursuant to Article II of this Agreement, including, without limitation, amounts that the Executive is entitled to under any benefit plan of the Company in accordance with the terms of such plan.

3.2.4 **Statutory Compensation at Employment Termination.** In addition to the foregoing compensation payable at employment termination, the Executive shall be entitled to receive the following, but only to the extent then-mandated by Minnesota law at the Termination Date:

- (a) A lump sum payment equal to the Executive's earned but unused vacation accrued under Apogee's regular vacation policy through the Termination Date; and
- (b) The Executive shall have the right to continue, at the Executive's expense, to participate in Apogee's group life insurance program for the legally required period following the Termination Date.

3.2.5 **No Other Compensation or Continuing Benefits.** For the avoidance of doubt, the parties acknowledge and agree that, after the Termination Date, the Executive shall not continue to participate in any benefit or retirement plans of the Company, except with respect to balances of deferred accounts, if any, existing in any such plan as of the Retirement Date.

Except as otherwise specifically set forth in this Section 3.2, the Company shall have no further obligations to pay any compensation of any kind to the Executive after his Termination Date under this Agreement.

3.3 **No Other Benefits.** If the Executive receives the payments and benefits described in this Article III, the Executive will not be eligible to receive from the Company or any Affiliate any other severance or termination payments or benefits of any kind, including but not limited to those provided in Article II of this Agreement. Furthermore, this Agreement is not

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intended to provide the Executive with payments or benefits that are duplicative or overlap payments or benefits that will be paid or provided to the Executive under other agreements between the Executive and the Company or its Affiliates. Accordingly, except as provided herein, the Executive acknowledges that this Agreement shall supersede and replace in their entirety any and all other policies and/or agreements to which the Executive and the Company or any of its Affiliates are a party that provide severance or continuation of income payments to the Executive or the Executive's family following the Termination Date, except the Change in Control Severance Agreement dated as of the date hereof (the "CIC Severance Agreement"). This Agreement will be superseded and replaced in its entirety by the CIC Severance Agreement on the "Effective Date" (as defined therein) or upon the termination, prior to the Effective Date, of the Executive's employment by (i) the Company without Cause or (ii) the Executive for Good Reason, where the effect of such termination is to entitle the Executive to receive the benefits described in Sections 4 and 5 of the CIC Severance Agreement as a result of the occurrence of event or circumstances described in Section 2(b)(iii) of the CIC Severance Agreement.

ARTICLE IV: CONFIDENTIAL INFORMATION

4.1 **Nondisclosure.** At all times during the Executive's employment and after the Termination Date, the Executive will hold in the strictest confidence and will not disclose, use, lecture upon or publish any of the Company's Confidential Information, except as such disclosure, use or publication may be required in connection with the Executive's work for the Company, or unless the Company expressly authorizes such disclosure in writing. The Executive will obtain the Company's written approval before publishing or submitting for publication any material (written, verbal or otherwise) that relates to the Executive's work at the Company and/or incorporates any Confidential Information. The Executive hereby assigns to the Company any and all rights, title and interest the Executive may have or acquire in the Confidential Information and recognizes that all of the Confidential Information is and shall be the sole property of the Company and its successors and assigns.

As used herein, "Confidential Information" means information that was developed, created, or discovered by or on behalf of the Company or any of its Affiliates, or which became or will become known by, or was or is conveyed to the Company, which has commercial value in the Company's business. "Confidential Information" includes, but is not limited to, customer and mailing lists, cost and pricing information, employee data, financial data, business plans, sales and marketing plans, business acquisition or divestiture plans, research and development activities relating to existing commercial activities and new products, services and offerings under active consideration, software programs, and trade secrets which the Executive may have acquired during the course of his employment with the Company or its Affiliates or which is received in confidence by or for the Company from any other person. The foregoing obligation shall not apply to (i) any information which was known to the Executive prior to disclosure to him by the Company or any of its Affiliates; (ii) any information which was in the public domain prior to its disclosure to the Executive; (iii) any information which comes into the public domain through no fault of the Executive; (iv) any information which the Executive is required to disclose by a court or similar authority or under subpoena, provided that the Executive provides the Company with notice thereof and assists, at the Company's or its Affiliates sole expense, any

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reasonable endeavor of the Company or any of its Affiliates by appropriate means to obtain a protective order limiting the disclosure of such information; and (v) any information which is disclosed to the Executive by a third party which has a legal right to make such disclosure.

ARTICLE V: NON-COMPETITION, NON-SOLICITATION NON-HIRE AND NON-DISPARAGEMENT

5.1 **Non-Competition Covenant.** In consideration of the financial and other benefits described in this Agreement, the Executive agrees that, during the period commencing on the Commencement Date and ending on the date that is two (2) years after the Termination Date (without regard for the reason for such termination and whether such termination is occasioned by the Company or the Executive), the Executive shall not, directly or indirectly, and in any manner or capacity (*e.g.*, as an advisor, principal, agent, partner, officer, director, investor, shareholder, employee, member of any association or otherwise), engage in any business activities that are competitive with any of the businesses conducted, or planned to be conducted, by the Company or any Company Affiliate during the one-year period ending on the Termination Date.

5.2 **Geographical Extent of Covenant.** The Executive acknowledges that the Company directly, or indirectly through the Company Affiliates, currently is engaged in business throughout North America and South America, including each county, state and province thereof. Consequently, the Executive agrees that his obligations under this Article V shall apply in any market in North America or South America in which: (a) the Company or, as applicable, a Company Affiliate(s), operates during the one-year period described in the last two lines of Section 5.1; and (b) the Company or, as applicable, a Company Affiliate(s), has plans to enter on the date the Executive ceases to be employed by the Company.

5.3 **Limitation on Covenant.** Ownership by the Executive, as a passive investment, of less than one percent (1%) of the outstanding shares of capital stock of any corporation listed on a national securities exchange or publicly traded in the over-the-counter market shall not constitute a breach of this Article V.

5.4 **Non-Solicitation And Non-Hire.** The Executive agrees that, for a period of two (2) years after the Termination Date, without regard for the reason for such termination (and whether occasioned by the Company or the Executive), the Executive shall not, except with the prior written consent of the Company: (a) hire or attempt to hire for employment any person who is employed by the Company or a Company Affiliate, or attempt to influence any such person to terminate employment with the Company or any Company Affiliate; (b) induce or attempt to induce any employee of the Company or any Company Affiliate to work for, render services to, provide advice to, or supply confidential business information or trade secrets of the Company or any Company Affiliate to any third person, firm or corporation; or (c) induce or attempt to induce any customer, supplier, licensee, licensor or other business relation of the Company or any Company Affiliate to cease or reduce doing business with the Company or such Company Affiliate, or in any way interfere with the relationship between any such customer,

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supplier, licensee, licensor or other business relation and the Company or any Company Affiliate. Nothing herein shall prohibit the Executive from general advertising for personnel not specifically targeting any employee or other personnel of the Company, or from hiring any such employee or other personnel responding to such general advertising.

The foregoing limitations shall not apply with respect to: (i) any former employee of the Company whose employment terminated prior to the Commencement Date, or (ii) any employee of the Company whose employment is terminated after the Commencement Date and prior to the Termination Date, so long as at least six (6) months have passed between the Termination Date and the date of any action by the Executive set forth in the first sentence of this Section 5.4.

5.5 Non-Disparagement. During and after the Term:

(a) the Executive agrees not to make any remarks (whether in public or private) knowingly or intentionally disparaging the Company or any Company Affiliate, or their respective products, services, officers, director or employees, whether past or current, including any present, former or future director, officer, employee or agent of the Company or any Company Affiliate. The provisions of this Section 5.5(a) shall not apply to any truthful statement(s) required to be made by the Executive or by any representative of the Executive in any legal proceeding or governmental (including all agencies thereof) or regulatory filing, investigation or proceeding; and

(b) the Company agrees that none of its Senior Representatives (as defined below) will make any remarks (whether in public or private) knowingly or intentionally disparaging the Executive. The provisions of this Section 5.5(b) shall not apply to any truthful statement(s) required to be made by the Company or by any representative of the Company in any legal proceeding or governmental (including all agencies thereof) or regulatory filing, investigation or proceeding. For purposes of this Section 5.5(b), the term “Senior Representatives” shall mean each of the Company’s directors and its Chief Financial Officer, General Counsel, Vice President Human Resources, and Vice President and Treasurer.

ARTICLE VI: DISPUTE RESOLUTION PROCESS

6.1 Dispute Defined. The Company and the Executive desire to establish a reasonable and confidential means of resolving any dispute, question or interpretation arising out of or relating to (i) this Agreement or the alleged breach or threatened breach of it, (ii) the making of this Agreement, including claims of fraud in the inducement, (iii) the Executive’s employment by the Company pursuant to this Agreement, including claims of wrongful termination or discrimination, or (iv) any activities by the Executive restricted by Articles IV and V of this Agreement following the cessation of his employment with the Company (each such dispute to be referred to herein as a “Dispute”).

6.2 Procedure. In furtherance of the parties’ mutual desire, the Company and the Executive agree that if either party believes a Dispute exists, that party shall provide the other with written notice of the claimed Dispute. Upon receipt of that written notice, the following

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procedure shall be the exclusive means of fully and finally resolving the Dispute. First, within thirty (30) days of the other party receiving that notice, the Executive and appropriate representatives of the Company and/or Board will meet to attempt to resolve amicably the Dispute. Second, if a mutually agreeable resolution is not reached within thirty (30) days following the parties' first meeting, the parties will engage in mediation with a mutually agreeable neutral mediator, said mediation to be held within forty-five (45) days of the final meeting between the Executive and representatives of the Company and/or Board. The Company shall pay the fees and expenses of the mediator. Third, if the Dispute is not resolved through mediation within thirty (30) days, the Dispute shall be resolved exclusively by final and binding arbitration held in accordance with the provisions of this Agreement and the American Arbitration Association ("AAA") National Rules for the Resolution of Employment Disputes then in effect, unless such rules are inconsistent with the provisions of this Agreement. In connection with such arbitration:

- (a) Any such arbitration shall be conducted: (i) by a neutral arbitrator appointed by mutual agreement of the parties; or (ii) failing such agreement, by a neutral arbitrator appointed in accordance with said AAA rules;
- (b) The parties shall be permitted reasonable discovery in accordance with the provisions of the Minnesota Rules of Civil Procedure, including the production of relevant documents by the other party, the exchange of witness lists, and a limited number of depositions, including depositions of any expert who will testify at the arbitration;
- (c) The arbitrator's award shall include findings of fact and conclusions of law showing the legal and factual basis for the arbitrator's decision, which decision shall be final and binding upon the parties;
- (d) The arbitrator shall have the authority to award to the prevailing party any remedy or relief that a United States District Court or court of the State of Minnesota could order or grant if the dispute had first been brought in that judicial forum, including costs and attorneys' fees;
- (e) The arbitrator's award may be entered as a judgment by any court of competent jurisdiction; and
- (f) Unless otherwise agreed by the parties, the place of any arbitration proceeding shall be Minneapolis, Minnesota.

6.3 Confidentiality of Dispute Resolution. Except as the parties shall agree in writing, upon court order, or as required by law, neither the Company nor the Executive will disclose to any third party, except for their counsel, retained experts and other persons directly serving counsel or retained experts, any fact or information in any way pertaining to the process of resolving a Dispute under this Article VI, or to the fact of or any term that is part of a

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resolution or settlement of any Dispute. This prohibition on disclosure specifically includes, without limitation, any disclosure of an oral statement or of a written document made or provided by either the Executive or the Company, or by any of its or his representatives, counsel or retained experts, or other persons directly serving any representatives, counsel or retained experts.

6.4 **Right to Injunctive Relief.** The Executive acknowledges and agrees that the services to be rendered by him hereunder are of a special, unique and extraordinary character, that it would be difficult to replace such services and that any violation of the Executive's obligations under either Article IV or Article V would be highly injurious to the Company and/or to any Company Affiliate and that it would be extremely difficult to compensate the Company and/or any Company Affiliate fully for damages for any such violation. Accordingly, notwithstanding the terms of this Article VI, the Company or any Company Affiliate, as the case may be, shall be entitled to seek, without the necessity of posting bond or proving any monetary damages and without any requirement to engage in any dispute resolution process outlined in this Article VI, temporary and permanent injunctive relief from a court of law, in the event of violation by the Executive of any of his obligations under any provision of either Article IV or Article V. This provision with respect to injunctive relief shall not, however, diminish the right of the Company, any Company Affiliate or the Executive to claim and recover damages, or to seek and obtain any other relief available to it pursuant to the provisions of this Article VI.

ARTICLE VII: ASSIGNMENT; SUCCESSORS.

7.1 **Assignment.** This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's heirs, executors and administrators.

7.2 **Successors.** This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, *provided* that the Company may not assign this Agreement except in connection with the assignment or disposition of all or substantially all of the assets or stock of the Company, or by law as a result of a merger or consolidation.

ARTICLE VIII: MISCELLANEOUS PROVISIONS

8.1 **Notices.** All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party, or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:
500 E. Grant St.
Apt. #1710
Minneapolis, MN 55404

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With a copy to:

Kaplan, Strangis and Kaplan, P.A.
5500 Wells Fargo Center
90 South Seventh Street
Minneapolis, Minnesota 55402
Attention: Jim Melville

If to the Company by mail or fax:

Apogee Enterprises, Inc.
4400 West 78th Street
Suite 520
Minneapolis, Minnesota 55435
Attention: General Counsel

or to such other address as either party furnishes to the other in writing in accordance with this paragraph. Notices and communications shall be effective when actually received by the addressee or three (3) days after the initiation of delivery; *provided* that this period will not extend any period of notice specifically set forth in this Agreement.

Any party may change the address for the purpose of this Section by giving the other written notice of the new address in the manner set forth above.

8.2 Enforceability. The parties intend that each of the covenants referenced in Section 5 hereof shall be construed as a series of separate covenants, one for each state of the United States, one for each county of each state of the United States, one for each province of Canada and one for each state of Mexico. To the extent any provision of this Agreement shall be determined to be invalid or unenforceable in any jurisdiction, such provision shall be deemed to be deleted from this Agreement as to such jurisdiction only, and the validity and enforceability of the remainder of such provision and of this Agreement shall be unaffected. In furtherance of and not in limitation of the foregoing, the Executive and the Company expressly agree that should the duration of, geographical extent of, or business activities covered by, any provision of this Agreement be in excess of that which is valid or enforceable under applicable law in a given jurisdiction, then such provision, as to such jurisdiction only, shall be construed to cover only that duration, extent or activities that may validly or enforceably be covered. The unenforceability of any covenant in Section 5 hereof shall not preclude the enforcement of any other of said covenants or provisions or of any other obligation of the Executive hereunder, and the existence of any claim or cause of action of the Company against the Executive, whether predicated on the Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of any of said covenants. The Company and the Executive acknowledge the uncertainty of the law in this area with respect to Section 5 hereof, and expressly stipulate that this Agreement is to be given the construction that renders its provisions valid and enforceable to the maximum extent (not exceeding its express terms) possible under applicable law.

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8.3 **Taxes.** Notwithstanding any other provision of this Agreement, the Company shall withhold from any amount payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations, or that are consistent with the Company's prevailing practice.

8.4 **Governing Law, Construction, and Severability.** The validity, interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Minnesota. In the event any provision of this Agreement shall be held illegal or invalid for any reason, said illegality or invalidity shall not in any way affect the legality or validity of any other provision of this Agreement. It is the intention of the parties hereto that the Company be given the broadest possible protection respecting its Confidential Information and trade secrets and respecting competition by the Executive following the Executive's separation from the Company.

8.5 **Venue.** Any action at law, suit in equity or judicial proceeding arising directly, indirectly or otherwise in connection with, out of, related to or from this Agreement or any provision hereof shall be litigated only in the State of Minnesota, Hennepin County District Court, or the United States District Court for the District of Minnesota. The Executive waives any right the Executive may have to transfer or change the venue of any litigation brought against the Executive by the Company.

8.6 **Entire Agreement.** This Agreement (together with the Exhibits attached hereto and the other agreements between the Company and the Executive referenced herein) is the final, complete and exclusive agreement of the parties with respect to the subject matter hereof and supersedes all prior discussions between the Company and the Executive regarding the subject matter hereof. No modification of, or amendment to, this Agreement, nor any waiver of either party's rights under this Agreement, will be effective unless in writing and signed by both parties. Any subsequent change or changes in the Executive's duties, obligations, salary or compensation will not affect the validity or scope of this Agreement.

8.7 **Counterparts.** This Agreement may be simultaneously executed in any number of counterparts, and such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

8.8 **Captions and Headings.** The captions and paragraph headings used in this Agreement are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

8.9 **Survivability.** The provisions of this Agreement that by their terms call for performance subsequent to termination of the Executive's employment under this Agreement, or of this Agreement, shall so survive such termination. For purposes of clarification and not in limitation of the foregoing sentence, the parties acknowledge and agree that (a) Articles IV, V and VIII, and Section 3.1.6 shall survive the termination of this Agreement, and (b) Section 3.2.3 shall survive through the fifth anniversary of the Commencement Date.

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8.10 **Waiver.** No waiver by the Company or the Executive of any breach or violation of this Agreement shall be a waiver of any preceding or succeeding breach or violation. No waiver by the Company or the Executive of any right under this Agreement shall be construed as a waiver of any other right hereunder. Except as otherwise provided in Section 3.1.2 or Section 3.1.4, neither the Company nor the Executive shall not be required to give notice to enforce strict adherence to any of the terms or conditions of this Agreement.

8.11 **Advice of Counsel.** The Executive acknowledges that he has been provided the opportunity to seek, and has obtained, the advice of counsel in connection with the negotiation and execution of this Agreement.

8.12 **No Strict Construction.** Each of the Executive and the Company acknowledges and agrees that the language used in this Agreement and the other agreements referred to herein is, and shall be deemed to be, the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against either party hereto.

8.13 **Legal and Consulting Fees.** The Company shall reimburse the Executive for the reasonable, and appropriately documented, fees and expenses of legal counsel, compensation consultants and tax and accounting advisers to the Executive in connection with the negotiation and execution of this Agreement, up to a maximum total reimbursement of \$25,000.

8.15 **Section 409A Compliance.**

(a) The parties believe that, if amounts are paid at the time or times indicated in this Agreement, the payments will not be required to be delayed for six months under 409(a)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). Notwithstanding anything to the contrary in this Agreement, however, if, at the time of the Executive's "separation from service" within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then, to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive's separation from service would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death.

(b) To the extent that any payment or benefit under or pursuant to this Agreement is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service" to the extent necessary to comply with Section 409A of the Code. The determination of whether and when a "separation from service" has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h). Each payment made under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code.

(c) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as

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to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to comply fully with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder.

(d) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

EXECUTIVE

/s/ Joseph F. Puishys

Joseph F. Puishys

APOGEE ENTERPRISES, INC.

By /s/ Bernard P. Aldrich

Bernard P. Aldrich

Director and Non-Executive Chair of the Board of
Directors of Apogee Enterprises, Inc

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SIGNING BONUS

A. Sign-On Equity Awards: Subject to entering into standard forms of award agreements for each award, the Board hereby awards to the Executive, effective as of the Commencement Date, the following equity awards in connection with the commencement of his duties as Chief Executive Officer. All such stock awards are being made as "inducement grants" pursuant to NASDAQ Stock Market Listing Rule 5635(c)(4):

1. Time-Based Restricted Stock (the "Retention Grant"): Executive will receive restricted shares of Company Common Stock valued at \$1,300,000, using the closing price per share of the Company's Common Stock as reported on the NASDAQ Stock Market on the date of grant. The award will vest in equal annual increments over a five-year period, commencing on the first anniversary of the date of the award. The shares of restricted stock will include the right to receive dividends, in accordance with the terms of the related award agreement.

2. Time-Based Stock Options (the "Performance Grant"): Executive will receive options to acquire shares of Company Common Stock valued at \$1,300,000, using a Black-Scholes valuation of the Company Common Stock, based on its closing price per share as reported on the NASDAQ Stock Market on the date of grant. The exercise price of each such option shall be equal to the closing price per share of the Company; Common Stock on the date of grant. The award will vest in equal annual increments over a three-year period, commencing on the first anniversary of the date of the award.

3. Unrestricted Stock Award (the "Bonus Offset"): Executive will receive shares of Company Common Stock valued at \$500,000, using the closing price per share of the Company's Common Stock as reported on the NASDAQ Stock Market on the date of grant. The award will vest immediately on the date of grant, and is being made in lieu of the Executive participating in the fiscal year 2012 EMIP.

B. Cash Bonus: The Board hereby agrees to cause the Company to pay to the Executive, in connection with the commencement of his duties as Chief Executive Officer, a cash bonus of \$500,000 the "Cash Bonus"), payable following the end of the 2012 fiscal year at the time that cash incentive awards are customarily made by the Committee (*i.e.*, in March or April of 2012); *provided that*, the Executive continues to be employed as Chief Executive Officer of the Company on such payment date. Notwithstanding the foregoing, if the Executive's employment has been terminated by the Company without Cause, or by the Executive with Good Reason, prior to such payment date, then the Executive shall continue to receive the Cash Bonus on such payment date.

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Form of Release**RELEASE**

This Release ("Release") is entered into as of _____, 20__ by and between Apogee Enterprises, Inc., a Minnesota corporation ("Apogee"), and Joseph F. Puiushys ("Executive"), an individual residing in the State of Minnesota.

1. **Release of Claims.** In consideration of the promises, covenants and other valuable consideration provided by Apogee under the Employment Agreement dated as of _____, 2011, by and between Apogee and Executive (the "Employment Agreement") and otherwise, Executive, on behalf of himself, his spouse, successors, heirs, and assigns, and except as expressly set forth herein, hereby unconditionally and forever releases and discharges Apogee, including its parents, affiliates, subsidiaries, and business units, and their current or former shareholders directors, officers, employees, agents, predecessors, successors, assigns, and insurers (collectively referred to as "Released Parties") to the fullest extent permitted by law from any and all debts, demands, promises, agreements, claims, causes of action, losses, obligations, liabilities, damages, judgments, costs, expenses (including, but not limited to, attorneys' fees) of any nature whatsoever, known or unknown, contingent or non-contingent (collectively, "Claims"), that Executive had or has as of the date of this Release arising out of or in any way relating to Executive's hiring, employment, or separation from employment with Apogee, including but not limited to any Claims (i) under any federal, state or local law, regulation, rule or ordinance including, but not limited to, the Age Discrimination in Employment Act of 1967 ("ADEA"), 42 U.S.C. §§ 1981-1988, Title VII of the Civil Rights Act of 1964 ("Title VII"), the Equal Pay Act, the Employee Retirement Income Security Act of 1974 ("ERISA"), the National Labor Relations Act, the Occupational Safety and Health Act ("OSHA"), the Family and Medical Leave Act of 1993 ("FMLA"), the Workers Adjustment and Retraining Notification Act ("WARN"), the Americans with Disabilities Act of 1990 ("ADA"), the Minnesota Human Rights Act ("MHRA"), and any provision of the Minnesota or federal Constitutions; (ii) otherwise for retaliation; harassment; discrimination on any basis; or any related cause of action; as well as for salary, wages, severance pay, vacation pay, sick pay, bonuses, benefits, pension, stock options, overtime, and any other compensation or benefit of any nature; (iii) grounded on contract or tort theories, including but not limited to claims for wrongful discharge, breach of express or implied contract, implied covenant of good faith and fair dealing, intentional or negligent infliction of emotional distress, violation of public policy, conspiracy, invasion of privacy, tortious interference with contract or current or prospective business relationships, promissory estoppel, breach of fiduciary or other duty, breach of manuals or other policies, assault, battery, fraud, false imprisonment, misrepresentation, defamation, including libel, slander, and self-publication defamation, or (iv) any other claim of any kind whatsoever, including but not limited to any claim for damages or declaratory or injunctive relief of any kind. Furthermore, Executive relinquishes any right to re-employment with Apogee or the Released Parties. Executive also relinquishes any right to further payment or benefits under any employment agreement, benefit plan or severance arrangement maintained or previously or

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subsequently maintained by Apogee or any of the Released Parties or any of its respective predecessors or successors, except that he does not release any post-employment rights he has under the Employment Agreement or any plans referenced in that Agreement. Executive also does not release his right to indemnification and advancement of expenses for defense under any agreement he has entered into with Apogee, under Apogee's charter or by-laws or under any insurance policy maintained by Apogee that is applicable to its current or former directors and officers, or under any applicable law relating to officers, directors or employees.

2. No Claims Against Released Parties. Executive warrants and represents that he has not filed any claims, charges, complaints or actions against any Released Party, or assigned or transferred or purported to assign or transfer to any person or entity all or any part of or any interest in any claim released herein, and covenants that to the fullest extent permitted by law, he will not sue or otherwise institute or cause to be instituted against Apogee or any of the Released Parties any claim, lawsuit or other legal or administrative proceeding that is related to any matters released by Executive under Section 1 of this Release. Executive agrees that if he brings or asserts any such action or lawsuit, he shall pay all costs and expenses, including reasonable attorneys' fees, incurred by Apogee or the Released Parties in dismissing or defending the action or lawsuit. Executive further agrees that if any claim arising out of any act or omission occurring before Executive's execution of this Release is prosecuted in his name before any court or administrative agency that he waives and agrees not to take any award, damages or other individual relief (legal or equitable) from such claim to the fullest extent permitted by law. If any agency or court assumes jurisdiction of any complaints, claims, or actions against any Released Party by or on behalf of Executive arising out of any act or omission occurring before Executive's execution of this Release, Executive will request that the agency or court withdraw the matter or dismiss the matter in its entirety, with prejudice, and will execute all necessary documents to effect such withdrawal and/or dismissal with prejudice. Nothing in this provision, however, shall be interpreted to prevent executive from: (a) bringing a claim or lawsuit to enforce the terms of this Release or the post-employment rights provided in the Employment Agreement; (b) filing a charge with, or participating in any investigation conducted by, a governmental agency; or (c) challenging or seeking a determination in good faith of the validity of Executive's release under the ADEA.

3. Rescission. Executive has been informed of his right to revoke this Release insofar as it extends to potential claims under the ADEA by informing Apogee of his intent to revoke this Release within seven (7) calendar days following his execution of this Release. Executive has likewise been informed of his right to rescind this Release insofar as it relates to potential claims under the Minnesota Human Rights Act by written notice to Apogee within fifteen (15) calendar days following his execution of this Release. Executive has further been informed and understands that any such rescission must be in writing and hand-delivered to Apogee or, if sent by mail, postmarked within the applicable time period, sent by certified mail, return receipt requested, to Apogee as set forth in Section 6 hereof.

Executive and Apogee agree that if Executive exercises this right of rescission, this Release shall be null and void and Executive shall not receive or, if received, shall return in full to Apogee any consideration paid or benefit provided in connection with this Release contemporaneously with

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the delivery of rescission notice. Executive specifically understands and agrees that (a) any attempt by him to revoke this Release after the specified period for rescission has expired is, or will be, ineffective; (b) if he exercises his right to rescind, then Apogee will have no further obligations to him or to others whose rights derive from him to pay any severance or provide any future benefits under the Employment Agreement; and (c) rescission by Executive will have no effect upon his separation from employment.

4. Breach of this Release. If a court of competent jurisdiction determines that either party has breached or failed to perform any part of this Release, the parties agree that the non-breaching party shall be entitled to injunctive relief to enforce this Release and that the breaching party shall be responsible for paying the non-breaching party's costs and attorneys' fees incurred in enforcing this Release.

5. Severability. Whenever possible, each provision of this Release shall be interpreted in such a manner as to be effective and valid under applicable law and to carry out each provision herein to the greatest extent possible, but if any provision of this Release is held to be void, invalid, illegal or for any other reason unenforceable, the parties agree that the validity, legality and enforceability of the remaining provisions of this Release will not be affected or impaired thereby, and will be interpreted so as to effect, as closely as possible, the intent of the parties hereto.

6. Notices. All notices and other communications hereunder will be in writing. Any notice or other communication hereunder shall be deemed duly given if it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth:

If to Executive: To his current residence address maintained in Apogee's records.

If to Apogee:

Apogee Enterprises, Inc.
4400 West 78th Street
Suite 520
Minneapolis, Minnesota 55435
Attention: General Counsel

Any party may send any notice or other communication hereunder to the intended recipient at the address set forth using any other means (including personal delivery, expedited courier, messenger services, facsimile, ordinary mail or electronic mail), but no such notice or other communication shall be deemed to have been duly given unless and until it is actually received by the intended recipient. Any party may change the address to which notices and other communications hereunder are to be delivered by giving the other party notice in the manner set forth herein.

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7. Choice of Law. This Release shall be deemed performable by all parties in, and venue shall be in the state or federal courts located in, Hennepin County, Minnesota, and the construction and enforcement of this Release shall be governed by Minnesota law without regard to its conflict of laws rules.

8. Binding Effect of Release. This Release shall be binding upon Executive and his heirs, administrators, representatives, executors, successors and permitted assigns.

9. Time to Sign and Return Release. Executive acknowledges and agrees that he first received the original of this Release on or before _____, 20___. Executive also understands and agrees that he has been given at least 21 calendar days from the date he first received this Release to obtain the advice and counsel of the legal representative of his choice and to decide whether to sign it. Executive acknowledges that he has been advised and has sought the advice of his own counsel. No separation payments or other post-employment rights or benefits provided by the Employment Agreement shall become due until Executive has executed this Release and all rescission periods set forth herein have passed. Executive represents and agrees that he has thoroughly discussed all aspects and effects of this Release with his attorney, that he has had a reasonable time to review this Release, that he fully understands all the provisions of this Release and that he is voluntarily entering into this Release.

BY SIGNING THIS RELEASE, EXECUTIVE ACKNOWLEDGES THAT HE HAS CAREFULLY READ THIS RELEASE, THAT HE UNDERSTANDS ALL OF ITS TERMS, AND THAT HE IS ENTERING INTO IT KNOWINGLY AND VOLUNTARILY. HE FURTHER ACKNOWLEDGES THAT HE IS AWARE OF HIS RIGHTS TO REVIEW AND CONSIDER THIS RELEASE FOR 21 DAYS AND TO CONSULT WITH AN ATTORNEY ABOUT IT, AND STATES THAT BEFORE SIGNING THIS RELEASE, HE HAS EXERCISED THESE RIGHTS TO THE FULL EXTENT THAT HE DESIRED. HE ALSO ACKNOWLEDGES THAT HE WILL BE RECEIVING BENEFITS THAT HE WOULD NOT OTHERWISE BE ENTITLED TO RECEIVE EXCEPT BY VIRTUE OF HIS ENTERING INTO THIS RELEASE.

DATE: _____

EXECUTIVE

JOSEPH F. PUISHYS

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RESTRICTED STOCK AGREEMENT

<u>GRANTED TO</u>	<u>GRANT DATE</u>	<u>NUMBER OF SHARES OF RESTRICTED STOCK</u>	<u>SOCIAL SECURITY NUMBER</u>
[Name]	___/___/2011	[_____]	[SSN]
[Street]			
[City], [State] [Postal]			

- This Grant.** Apogee Enterprises, Inc., a Minnesota corporation (the “*Company*”), hereby grants to the individual named above (the “*Employee*”), as of the above grant date and on the terms and conditions set forth in this restricted stock agreement (this “*Agreement*”), the number of shares of restricted stock set forth above (the “*Shares*”). This grant of restricted stock constitutes an employment inducement grant under NASDAQ Rule 5635(c)(4) and is being granted pursuant to the terms of the Employment Agreement, entered into as of _____, 2011, between the Company and the Employee (the “*Employment Agreement*”).
- Restricted Period.** The Shares are subject to restrictions contained in this Agreement for a period (the “*Restricted Period*”) commencing on the Grant Date and ending as of the dates set forth in the following schedule with respect to the number of Shares listed:

<u>On or after each of the following dates</u>	<u>Cumulative number of Shares as to which restrictions lapse</u>
___/___/12	_____
___/___/13	_____
___/___/14	_____
___/___/15	_____
___/___/16	_____

Such restrictions shall lapse earlier, as provided in paragraph 4 below.

- Restrictions.** The shares shall be subject to the following restrictions during the Restricted Period:
 - The Shares shall be subject to forfeiture to the Company as provided in this Agreement.
 - The Employee may not sell, transfer, pledge or otherwise encumber the Shares during the Restricted Period. The right to receive the Shares may not be transferred by the Employee, and any attempted transfer shall be void.
 - The Shares are being issued in the Employee’s name on the Grant Date by book-entry registration. The Shares shall be restricted from transfer and shall be subject to an appropriate stop-transfer order. The book-entry Shares shall bear an appropriate legend referring to the restrictions applicable to the Shares.
 - Any securities or property (other than cash) that may be issued with respect to the Shares as a result of any stock dividend, stock split, business combination or other event shall be subject to the restrictions and other terms and conditions contained in this Agreement.
 - The Employee shall not be entitled to transfer any Shares prior to the completion of any registration or qualification of the Shares under any federal or state law or governmental rule or regulation that the Company, in its sole discretion, determines to be necessary or advisable.
- Forfeiture; Lapse of Restrictions.** In the event the Employee’s employment is terminated during the Restricted Period, the unvested Shares held by the Employee at such time shall be immediately and irrevocably forfeited, unless the Employee’s employment is terminated under the circumstances described below.

Involuntary Termination Without Cause and Termination for Good Reason. In the event the Employee's employment is terminated prior to the end of the Restricted Period by reason of involuntary termination without Cause or by the Employee for Good Reason, the restrictions with respect to all of the Shares held by the Employee at such time shall lapse and the Shares shall vest as of the date of such termination of employment.

Totally Disabled or Death. In the event the Employee's employment is terminated prior to the end of the Restricted Period by reason of the Employee becoming Totally Disabled or due to the Employee's death, the restrictions with respect to all of the Shares held by the Employee at such time shall lapse and the Shares shall vest as of the date of such termination of employment.

The terms "Cause," "Good Reason" and "Totally Disabled" are defined in the Employment Agreement.

5. **Rights as Shareholder.** Upon issuance of the Shares, the Employee shall, subject to the restrictions of this Agreement, have all of the rights of a shareholder with respect to the Shares, including the right to vote the Shares and receive any cash dividends and any other distributions thereon, unless and until the Employee forfeits the Shares.
6. **Income Taxes.** The Employee is liable for any federal, state and local income or other taxes applicable upon the receipt of the Shares, the lapse of restrictions relating to the Shares or the subsequent disposition of any of the Shares, and the Employee acknowledges that he should consult with his own tax advisor regarding the applicable tax consequences. Upon the vesting of the Shares, the Company will pay the Employee's required minimum statutory withholding taxes by withholding Shares otherwise to be delivered upon the vesting of the Shares with a Fair Market Value (as defined below) equal to the amount of such taxes. Alternatively, if the Employee notifies the Company prior to the vesting date of the Shares, the Employee may elect to pay all or a portion of the minimum statutory withholding taxes by (a) delivering to the Company shares of the Company's common stock other than the Shares vesting pursuant to this Agreement with a Fair Market Value equal to the amount of such taxes or (b) paying cash; *provided that*, if the Employee does not deliver such shares of common stock or cash to the Company by the second business day after the vesting date of the Shares, the Company will pay the Employee's required minimum statutory withholding taxes by withholding Shares otherwise to be delivered upon the vesting of the Shares with a Fair Market Value equal to the amount of such taxes.

The term "Fair Market Value" shall mean the closing sale price of the Company's common stock as reported on the NASDAQ Global Select Market on such date or, if such market is not open for trading on such date, on the most recent preceding date when such market is open for trading.
7. **No Right to Employment.** The grant of the Shares shall not be construed as giving the Employee the right to be retained as an employee of the Company or any Affiliate (as defined in Rule 12b-2 under the Securities Exchange Act of 1934), nor will it affect in any way the right of the Company or an Affiliate to terminate the Employee's employment at any time, with or without Cause.
8. **Governing Law.** The validity, construction and effect of the Agreement, and any rules and regulations relating to the Agreement, shall be determined in accordance with the laws of the State of Minnesota.
9. **Acknowledgment.** This grant of Shares shall not be effective until the Employee dates and signs the form of Acknowledgment below and returns a signed copy of this Agreement to the Company. By signing the Acknowledgment, the Employee agrees to the terms and conditions of this Agreement.

ACKNOWLEDGMENT:

APOGEE ENTERPRISES, INC.

EMPLOYEE'S SIGNATURE

DATE

SOCIAL SECURITY NUMBER

By: _____

[Name]

[Title]



STOCK OPTION AGREEMENT

GRANTED TO	GRANT DATE	NUMBER OF SHARES SUBJECT TO OPTION	EXERCISE PRICE PER SHARE	EXPIRATION DATE
[Name] [Street] [City], [State] [Postal] [SSN]	___/___/2011	_____	\$ _____	___/___/2021

- This Agreement.** This agreement, together with Exhibit A (collectively, the “*Agreement*”), sets forth the terms and conditions of a non-qualified stock option award representing the right to purchase shares of common stock (“*Common Stock*”) of Apogee Enterprises, Inc., a Minnesota corporation (the “*Company*”).
- The Grant.** The Company hereby grants to the individual named above (the “*Employee*”), as of the above grant date (the “*Grant Date*”), an option (the “*Option*”) to purchase the number of shares of Common Stock of the Company set forth above (the “*Shares*”) at the price per share set forth above (the “*Exercise Price*”) with the expiration date set forth above (the “*Expiration Date*”). The Option constitutes an employment inducement grant under NASDAQ Rule 5635(c)(4) and is being granted pursuant to the terms of the Employment Agreement, entered into as of _____, 2011, between the Company and the Employee (the “*Employment Agreement*”).
- Exercise of Option.** The exercise of the Option is subject to the following terms and conditions:
 - The Option may be exercised only by the Employee (or by the Employee’s appropriate representatives or guardian in the event of the Employee’s death or if the Employee becomes Totally Disabled, as defined in the Employment Agreement), in whole or in part from time to time as provided in paragraph 3(b) below, during the period commencing on the date set forth in paragraph 3(b) below and ending on the earlier of (i) the Expiration Date or (ii) the expiration of the applicable period following the date of the Employee’s termination of employment with the Company, as provided in paragraph 5 below. In no event, however, may the Option be exercised to any extent after the Expiration Date.
 - The Option shall become exercisable in accordance with the schedule set forth below. Once the Option has become exercisable, the Employee may exercise it to the extent set forth in the schedule at any time thereafter, subject to the provisions of this Agreement.

On or after each of the following dates	Cumulative number of Shares as to which Option is exercisable
___/___/12	_____
___/___/13	_____
___/___/14	_____

In the event the Employee’s employment is terminated by reason of involuntary termination without Cause (as defined in the Employment Agreement) or by the Employee for Good Reason (as defined in the Employment Agreement), the Option shall become fully exercisable on the date of termination of the Employee’s employment.

- Manner of Exercise.** The Option shall be exercised by the delivery of written notice of exercise (the “*Notice*”) to the Company or its agent. The Notice shall be in such form as the Company may prescribe (including electronic form) and shall specify the number of Shares as to which the Employee is exercising the Option, and shall be accompanied by payment of the Exercise Price of the Shares either in cash (bank check, certified check or personal check payable to the Company or by wire transfer to the Company) or by the delivery of shares of Common Stock owned by the Employee with a Fair Market Value (as defined in the attached Exhibit A) equal to the amount of the Exercise Price, or a combination of both. The Notice shall also be accompanied by such other information and documents as the Company, in its discretion, may request.

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5. **Termination of Employment.** Subject to the provisions of paragraph 3 above, the Option may be exercised as provided in this Agreement to the following extent, for the following period, after the Employee's termination of employment:
- (a) For one year, if the termination of employment is a result of the Employee's death or because the Employee becomes Totally Disabled, to the extent exercisable on the date of death or termination of employment due to becoming Totally Disabled.
 - (b) For 90 days, if the Employee's employment is terminated by reason of involuntary termination without Cause or by the Employee for Good Reason.
 - (c) For 90 days, if the Employee's employment is terminated by the Employee for any reason (other than Good Reason), to the extent exercisable on the date of such termination of employment.
- The Option may not be exercised following termination of the Employee's employment for Cause.
6. **Change in Control.** A Change in Control (as defined in the attached Exhibit A) of the Company will affect the Option as follows:
- (a) *Change in Control Involving an Acquiror with Publicly Traded Common Stock.* In the event of a Change in Control of the Company in connection with which the holders of Common Stock receive shares of common stock that are registered under Section 12 of the Exchange Act (as defined in the attached Exhibit A), there shall be substituted for each share of Common Stock available upon exercise of the Option the number and class of shares into which each outstanding share of Common Stock shall be converted pursuant to such Change in Control. In the event of any such substitution, the Exercise Price per share of the Option shall be appropriately adjusted by the Company's Compensation Committee, such adjustments to be made without a change in the aggregate Exercise Price of the Option. In such circumstances, the Option shall continue to vest in accordance with paragraph 3(b) and shall continue to be exercisable by the Employee until the Expiration Date. Notwithstanding the foregoing, if the Employee's employment is simultaneously or subsequently terminated by the Company without Cause or by the Employee for Good Reason upon, or after, the occurrence of a Change in Control of the Company, then pursuant to paragraph 5(b) above, the Option shall become fully exercisable on the date of termination of the Employee's employment, and shall remain exercisable for 90 days after such date of termination.
 - (b) *Change in Control Not Involving an Acquiror with Publicly Traded Common Stock.* In the event of a Change in Control other than a Change in Control in connection with which the holders of Common Stock receive consideration consisting solely of shares of common stock that are registered under Section 12 of the Exchange Act, the Option shall become fully exercisable on the effective date of such Change in Control transaction, be surrendered to the Company and immediately cancelled by the Company, and the Employee shall receive, within ten days of the occurrence of such Change in Control, a cash payment from the Company in an amount equal to the number of shares of Common Stock then subject to the Option, multiplied by the excess, if any, of the highest per share price offered to shareholders of the Company in any transaction whereby the Change in Control takes place, over the Exercise Price.
7. **Income Taxes.** The Employee is liable for any federal, state and local income or other taxes applicable upon the grant or exercise of the Option or the disposition of the Shares, and the Employee acknowledges that he should consult with his own tax advisor regarding the applicable tax consequences. Upon exercise of the Option, the Employee shall promptly pay to the Company the minimum statutory withholding taxes required to be withheld or collected by the Company in connection with the exercise of the Option. The Employee may pay all or a portion of the minimum statutory withholding taxes by (a) having the Company withhold Shares otherwise to be delivered upon the exercise of the Option with a Fair Market Value equal to the amount of such taxes, (b) delivering to the Company shares of Common Stock other than Shares issuable upon the exercise of the Option with a Fair Market Value equal to the amount of such taxes or (c) paying cash. For federal income tax purposes, the Option shall not be eligible for treatment as a qualified or incentive stock option.
8. **No Right to Employment.** The grant of the Option shall not be construed as giving the Employee the right to be retained as an employee of the Company or any Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate the Employee's employment at any time, with or without Cause.

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9. **Dilution or Other Adjustments.** In the event that any dividend or other distribution, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares of Common Stock, issuance of warrants or other rights to purchase shares of Common Stock or other similar corporate transaction or event affects the shares of Common Stock such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits intended pursuant to the Option, then the Compensation Committee shall, in such manner as it deems equitable, adjust the number and type of Shares and the Exercise Price; provided, however, that the number of Shares covered by the Option shall always be a whole number.
10. **Governing Law.** The validity, construction and effect of the Agreement, and any rules and regulations relating to the Agreement, shall be determined in accordance with the laws of the State of Minnesota.
11. **Acknowledgment.** This Option shall not be effective until the Employee dates and signs the form of Acknowledgment below and returns a signed copy of this Agreement to the Company. By signing the Acknowledgment, the Employee agrees to the terms and conditions of this Agreement.

ACKNOWLEDGMENT:

APOGEE ENTERPRISES, INC.

EMPLOYEE'S SIGNATURE

DATE

SOCIAL SECURITY NUMBER

By: _____

[Name]

[Title]

**DEFINED TERMS USED IN THE
STOCK OPTION AGREEMENT**

The following terms used in this Agreement have the following meanings:

“*Acquiring Person*” shall mean any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) who or which, together with all Affiliates and Associates of such person, is the Beneficial Owner (as defined in Rule 13d-3 promulgated under the Exchange Act) of 10% or more of the shares of Common Stock of the Company then outstanding, but shall not include the Company, any subsidiary of the Company or any employee benefit plan of the Company or of any subsidiary of the Company or any entity holding shares of Common Stock organized, appointed or established for, or pursuant to the terms of, any such plan.

“*Affiliate*” shall have the meaning ascribed to such term in Rule 12b-2 promulgated under the Exchange Act.

“*Associate*” shall have the meaning ascribed to such term in Rule 12b-2 promulgated under the Exchange Act.

“*Change in Control*” shall mean:

(i) a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Exchange Act, or successor provision thereto, whether or not the Company is then subject to such reporting requirement including, without limitation, any of the following events:

- (A) the consummation of any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company’s Common Stock would be converted into cash, securities, or other property, other than a merger of the Company in which all or substantially all of the holders of the Company’s Common Stock immediately prior to the consolidation or merger own more than 65% of the common stock of the surviving corporation immediately after the merger in the same relative proportions as their ownership of the Company’s Common Stock immediately prior to the consolidation or merger;
- (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company;
- (C) any reorganization, reverse stock split, or recapitalization of the Company which would result in a Change in Control; or
- (D) any transaction or series of related transactions having, directly or indirectly, the same effect as any of the foregoing.

(ii) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “Beneficial Owner” (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company’s then outstanding securities; or

(iii) the Continuing Directors cease to constitute a majority of the Company’s Board.

“*Continuing Director*” shall mean any person who is a member of the Board, who is not an Acquiring Person or an Affiliate or Associate of an Acquiring Person, or a representative of an Acquiring Person or of any such Affiliate or Associate, and who (A) was a member of the Board on the date of the Agreement or (B) subsequently becomes a member of the Board, if such person’s initial nomination for election or initial election to the Board is recommended or approved by a majority of the Continuing Directors.

“*Exchange Act*” shall mean the Securities and Exchange Act of 1934, as amended.

“*Fair Market Value*” shall mean the closing sale price of the Common Stock as reported on the NASDAQ Global Select Market on such date or, if such market is not open for trading on such date, on the most recent preceding date when such market is open for trading.

NEWS RELEASE**APOGEE**

Contact: Mary Ann Jackson
Investor Relations
952-487-7538
mjackson@apog.com

For Immediate Release
Monday, August 8, 2011

**APOGEE NAMES JOSEPH F. PUISHYS
CHIEF EXECUTIVE OFFICER AND PRESIDENT**

*Company hires a proven and accomplished manufacturing
industry leader with more than 30 years of experience*



MINNEAPOLIS, MN (August 8, 2011) – Apogee Enterprises, Inc. (Nasdaq:APOG) today announced that Joseph F. Puishys will join the company as CEO and president, effective Monday, August 22. Puishys, 53, who also becomes a member of Apogee’s board of directors, comes from Fortune 100 manufacturer Honeywell and is an industry veteran, with a proven track record of success in leadership positions. Apogee embarked on a national search for its next CEO following Russ Huffer’s announcement of his planned retirement after a 25-year career with Apogee. With Puishys’ appointment, Huffer is stepping down as CEO and board director.

“Russ Huffer leaves behind a legacy of growth and innovation at Apogee. We thank Russ for his leadership and many years of service, and are pleased to welcome Joe. He is an accomplished leader who brings vast experience and a track record of improving and growing businesses,” said Bernard P. Aldrich, chairman of Apogee’s board. “As the economy recovers, Joe is the ideal executive to lead the Apogee team to capitalize on the future growth opportunities that we see.”

Puishys has 32 years experience in manufacturing businesses, since 2008 as president of Honeywell’s Environmental and Combustion Controls division, a \$3 billion business. Prior to that, he led Honeywell Building Solutions, a global leader in the installation and service of integrated building solutions. He also held leadership positions in companies that were eventually bought by Honeywell, including Bendix Friction Materials and Garrett Engine Boosting System. He has also served in numerous executive and financial positions across Honeywell’s businesses. As president of Honeywell Building Solutions, Puishys received several awards from Honeywell for the turnaround of the commercial construction business.

Apogee has transformed to become a world-class provider of value-added glass solutions for enclosing commercial buildings and framing art. With his direct industry experience, Puishys will focus on leveraging Apogee’s existing and new energy-efficient products for new construction and renovation, improving margins through productivity enhancements, and growing the company’s international architectural glass business.

- MORE -

Apogee Enterprises, Inc. • 4400 West 78th Street • Minneapolis, MN 55435 • (952) 835-1874 • www.apog.com

“I look forward to putting my commercial building and manufacturing background to work to lead Apogee,” said Puishys. “I am excited about the growth opportunities to expand into new geographies and targeted sectors to better serve the needs of our markets.”

Puishys received his bachelor’s degree in accounting and finance from Bryant University and his master’s in business administration from Providence College.

About Apogee

Apogee Enterprises, Inc., headquartered in Minneapolis, is a leader in technologies involving the design and development of value-added glass products and services. The company is organized in two segments:

- Architectural products and services companies design, engineer, fabricate, install, maintain and renovate the walls of glass and windows comprising the outside skin of commercial and institutional buildings. Businesses in this segment are: Viracon, the leading fabricator of coated, high-performance architectural glass for global markets; Harmon, Inc., one of the largest U.S. full-service building glass installation, maintenance and renovation companies; Wausau Window and Wall Systems, a manufacturer of custom aluminum window systems and curtainwall; Linetec, a paint and anodizing finisher of window frames and PVC shutters; and Tubelite, a fabricator of aluminum storefront, entrance and curtainwall products.
- Large-scale optical segment consists of Tru Vue, a value-added glass and acrylic manufacturer for the custom picture framing market.

Forward-Looking Statements

The discussion above contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect Apogee management’s expectations or beliefs as of the date of this release. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements are qualified by factors that may affect the operating results of the company, including the following: operational risks within (A) the architectural segment: i) competitive, price-sensitive and changing market conditions, including unforeseen project delays and cancellations; ii) economic conditions, material cost increases and the cyclical nature of the North American and Latin American commercial construction industries; iii) product performance, reliability, execution or quality problems that could delay payments, increase costs, impact orders or lead to litigation; iv) the segment’s ability to fully and efficiently utilize production capacity; and v) integration of the Brazilian architectural glass business; and (B) the large-scale optical segment: i) markets that are impacted by consumer confidence and trends; ii) dependence on a relatively small number of customers; iii) changing market conditions, including unfavorable shift in product mix and new competition; and iv) ability to fully and efficiently utilize production capacity. Additional factors include: i) revenue and operating results that are volatile; ii) ability to effectively manage executive transitions; iii) financial market disruption which could impact company, customer and supplier credit availability; iv) self-insurance risk related to a material product liability event and to health insurance programs; v) cost of compliance with governmental regulations relating to hazardous substances; and vi) foreign currency risk related to certain continuing operations. The company cautions investors that actual future results could differ materially from those described in the forward-looking statements, and that other factors may in the future prove to be important in affecting the company’s results of operations. New factors emerge from time to time and it is not possible for management to predict all such factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or a combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. For a more detailed explanation of the foregoing and other risks and uncertainties, see Item 1A of the company’s Annual Report on Form 10-K for the fiscal year ended February 26, 2011.