

NCI BUILDING SYSTEMS, INC.

Compensation Committee Charter

[Amended and Restated December 7, 2006]

Organization

There shall be a permanent committee of the Board of Directors (the "Board") known as the Compensation Committee (the "Committee"). The Committee shall be composed of three or more directors, each of whom shall (a) meet the independence and any experience requirements of the New York Stock Exchange (the "NYSE"); (b) be a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, and (c) be an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

The members of the Committee shall be appointed by the Board based on the recommendations of the Nominating and Governance Committee, and shall serve for such term or terms as the Board determines or until their successors are elected or appointed. Members of the Committee may be removed at any time without cause by the affirmative vote of a majority of the Board. Vacancies resulting from resignation or removal shall be filled by the Board based on the recommendations of the Nominating and Governance Committee. The Board shall designate a chairperson for the Committee.

Meetings

The Committee shall meet as often as it determines, but not less than twice a year. The Chairman of the Committee, any two members of the Committee or, at the request of any Committee member, the Chairman of the Board may call meetings of the Committee. Meetings of the Committee may be held telephonically and any member may participate in any meeting telephonically.

The Committee may request any officer or employee of the Company or the Company's outside counsel to attend a meeting of the Committee or meet with any members of, or consultants to, the Committee. The Committee shall meet periodically in separate executive sessions without management personnel present.

Purposes of the Committee

The Compensation Committee shall provide assistance to the Board in fulfilling its responsibilities relating to the compensation practices of the Company. In particular, the Committee shall:

- (1) discharge the Board's responsibilities relating to compensation of directors, officers and senior managers;
- (2) oversee, evaluate, maintain and advise the Board regarding overall compensation policies and structure, and stock ownership, pension, profit sharing and other

benefit plans and programs, for directors, officers, senior managers and employees;

- (3) review and discuss with management the Compensation Discussion and Analysis required by the rules and regulations of the Securities and Exchange Commission (“SEC”) and, based its review and discussion, determine whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Company’s annual proxy statement; and
- (4) prepare the report of the Committee required by the rules and regulations of the SEC to be included in the Company’s annual proxy statement.

Committee Authority and Responsibilities

The Committee shall have the overall responsibility for approving and evaluating the Company’s compensation plans, policies and programs related to compensation of the Company’s directors, officers, senior managers and employees.

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate.

The Committee shall have the sole authority, to the extent it deems necessary or appropriate, to retain, set the compensation and other terms of engagement of and terminate the retention of independent legal, accounting, compensation or other advisors or consultants. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisors employed by the Committee.

The Committee shall make regular reports to the Board. The Committee shall review and reassess the adequacy of this Charter annually and, if appropriate, recommend any proposed changes to the Board for approval. The Committee shall annually review and evaluate the Committee’s own performance. The Committee shall conduct such review and evaluation in such manner as it deems appropriate and report the results of its review and evaluation to the entire Board.

In carrying out its responsibilities, the Committee, and each member of the Committee in his or her capacity as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other employees of the Company or its subsidiaries, whom such member believes to be reliable and competent in the matters presented, and (ii) counsel, public accountants, compensation consultants or other persons as to matters which the member believes to be within the professional competence of such person.

In carrying out its responsibilities, the Committee’s policies and procedures will remain flexible, to best react to changing conditions and to ensure that the compensation policies of the Company are designed to attract and retain key executives responsible for the success of the Company and motivate senior management to enhance long-term stockholder value.

In carrying out these responsibilities, the Committee, to the extent it deems necessary or appropriate, shall:

Executive and Board Compensation

1. Annually review and approve the corporate goals and objectives relevant to the compensation of the individuals holding one or more of the positions of Chairman of the Board, Chief Executive Officer and President of the Company.
2. Annually review the Company's executive compensation plans and, if the Committee deems it appropriate, adopt or recommend to the Board the adoption of new, or the amendment of existing, executive compensation plans.
3. Annually evaluate the performance of the Chief Executive Officer in light of the goals and objectives of the Company's executive compensation plans, and set his or her compensation level based on this evaluation. In determining the compensation and long-term incentive components of the Chief Executive Officer's compensation, the Committee shall consider all relevant factors, including the Company's performance and relative stockholder return, the value of similar awards to chief executive officers of comparable companies, and the awards given to the Chief Executive Officer of the Company in past years.
4. In consultation with the Chief Executive Officer, annually evaluate the performance of other officers and of the senior managers of the Company in light of the goals and objectives of the Company's executive compensation plans, and set his or her compensation levels based on this evaluation. In determining the compensation and long-term incentive components of these other officers' and senior managers' compensation, the Committee shall consider all relevant facts it deems necessary or advisable.
5. Annually evaluate the form and appropriate level of compensation for Board and permanent committee service by non-employee members of the Board and present its findings and recommendations to the Board. In formulating its recommendations, the Committee shall give consideration to past director compensation practices, the form and nature of compensation of non-management directors of comparable public companies, the requirements for independence of non-management directors imposed by applicable laws and regulations, and the potential effect of compensation on such independence.
6. Review and approve any severance or termination arrangements to be made with any director, officer or senior manager of the Company.
7. Perform such oversight or administrative duties and responsibilities as may be assigned to the Committee under the terms of any executive compensation plan.
8. Review perquisites or other personal benefits to the Company's directors, officers or senior managers and recommend any changes to the Board.

9. Review and approve in advance the contents of all regulatory filings related to compensation matters and prepare and issue an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with all applicable rules and regulations.
10. Review and approve any employment contracts for officers or senior managers that are not terminable at will.
11. Keep abreast of current developments in executive compensation and employee compensation practices outside the Company.
12. From time to time as it deems appropriate, engage outside consultants to evaluate the compensation policies of the Company.
13. Review the Company's policies regarding the tax deductibility of compensation paid to the Company's executive officers for purposes of Section 162(m) of the Internal Revenue Code, including, but not limited to, establishing performance goals and certifying that such goals have been attained.

Incentive Compensation and Equity Based Plans

14. Annually review the Company's incentive and equity based compensation plans for officers, senior managers and other employees and, if the Committee deems it appropriate, adopt or recommend to the Board the adoption of new, or the amendment of existing, incentive or equity based compensation plans; provided, however, that the Compensation Committee shall have the sole authority to approve amendments to the Company's 401(k) Profit Sharing Plan so long as that plan allows participants the option of investing in the NCI Stock Fund.
15. Oversee and administer, and perform such other duties and responsibilities as may be assigned to the Committee under the terms of, any incentive or equity based compensation plan, including, but not limited to, the Company's Stock Option Plan, Bonus Program, and 2003 Long-Term Stock Incentive Plan.

Other Compensation and Employee Benefit Plans

16. Annually review the Company's broad based compensation plans and benefit plans for employees generally and, if the Committee deems it appropriate, adopt or recommend to the Board the adoption of new, or the amendment of existing, broad based compensation and benefit plans.
17. Periodically review significant issues related to employee benefits whether or not the employee benefits are governed under the Employee Retirement Income Security Act of 1974 ("ERISA").
18. Perform such duties and responsibilities as may be assigned to the Committee under the terms of the Company's broad based general compensation plans and other employee benefit plans.

General

19. Have and exercise such other powers, authority and responsibilities as may be determined by the Board.

The responsibilities and duties set forth above are meant to serve as a guide, with the understanding that the Committee may diverge from the specific duties enumerated as necessary or appropriate given the facts and circumstances.