



CPG INTERNATIONAL
Building Products. Better

Audit Committee Charter

Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) is to oversee the accounting and financial reporting processes of the Corporation and audits of the Corporation’s financial statements and to assist the Board’s oversight of:

- The integrity of the Corporation’s financial statements and the appropriateness of the Corporation’s accounting policies and procedures;
- The Corporation’s compliance with legal and regulatory requirements;
- The performance of the Corporation’s internal audit function and independent auditors;
- Independence, qualifications and performance of the Corporation’s independent auditors; and
- The sufficiency of the independent auditor’s review of the Corporation’s financial statements.

[To the extent required by the Applicable Rules, as defined below, the Committee shall prepare any report of the Committee required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Corporation’s annual proxy statement.]

It is not the duty of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles. These are the responsibilities of management and the independent auditor.

This Charter has been adopted and approved by the Board and may be amended by the Board from time to time in compliance with applicable laws, rules and regulations (collectively, “Applicable Rules”). The Committee will perform an annual performance evaluation of the Committee and review and reassess the adequacy of this Charter on an annual basis. [To the extent required under Applicable Rules, a copy of this Charter will be attached as an appendix to the Corporation’s annual proxy statement at least once every three years and included on the Corporation’s website].

Composition

The Committee shall be composed of at least three members. Each Committee member shall be financially literate as this qualification is interpreted by the Board in its business judgment, or shall become financially literate within a reasonable period of time after appointment to the Committee. At least one Committee member must have accounting or related financial management expertise in accordance with Applicable Rules. If a member serves on the audit committee of more than two other public companies, the member must so inform the Committee; the Committee shall recommend to the Board, and the Board shall determine, whether such simultaneous service would impair the ability of such member to effectively serve on the Committee. [Any such Board determination and Board determinations in respect of the independence of Committee members shall be disclosed in the Corporation’s annual proxy statement to the extent required by Applicable Rules].

To the extent required by Applicable Rules, the Corporation shall disclose in its Annual Report on Form 10-K the number and names of any Committee members that the Board has determined to be “financial experts” (as such term is described in Item 401(h) of SEC Regulation S-K), the basis for any such determination and that any financial experts are independent in accordance with Applicable Rules. If the Board has not determined that a financial expert is a member of the Committee, the Corporation shall disclose that and explain why it does not have a financial report.

Subject to the foregoing, the members of the Committee shall be appointed and replaced by the Board, and one Committee member shall be designated as the Chairman.

The Chief Financial Officer of the Corporation shall be the member of management to serve in a liaison capacity with respect to the Committee.

The only compensation a Committee member may receive from the Corporation shall be compensation determined by the Board in compliance with Applicable Rules.

At its discretion, the Committee shall have direct access to the independent auditors, the internal auditors, the General Counsel, the Controller and, upon its request, any other officer or employee of the Corporation. All employees will be directed to cooperate in providing any information as requested by members of the Committee. The Committee shall also have the authority to retain, and obtain advice from, independent counsel, accountants and other advisors, as it determines necessary to carry out its duties. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors and any counsel, accountants or other advisors retained by the Committee and for the Committee’s ordinary administrative expenses that are necessary or appropriate in carrying out its duties.

Meetings

The Committee will meet at least quarterly during each calendar year. Additional meetings may be called by the Chairman.

Committee meetings will normally be attended by the Chief Financial Officer, the Secretary and representatives of the independent auditors. Other officers and employees of the Corporation, as well as independent counsel, may be asked to attend by the Chairman or a member of the Committee. Non-committee members may be excused from all or any portion of a meeting at the request of the Chairman.

The Committee shall meet separately, at least quarterly, with management, the Corporation’s internal auditors and its independent auditors.

A majority of the members of the Committee shall constitute a quorum for the transaction of business. Committee members may attend meetings in person or through means by which each member may hear and be heard by each other member and the Committee may also act by written consent.

Minutes of each meeting will be prepared by the Secretary and the Committee will report the results of its meetings to the Board.

Authority and Specific Duties

The Committee is granted the authority to perform each of the specific duties enumerated below:

Independent Auditor Selection

1. Have direct responsibility for the appointment, compensation and oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors). The independent auditors are to report directly to the Committee.

2. Have the sole authority to retain and replace the Corporation's independent auditor (subject, if applicable, to shareholder ratification) and to approve all audit engagement fees and terms and any significant non-audit engagements with the independent auditors.

3. Have sole authority to pre-approve (A) all audit services, which may entail providing comfort letters in connection with public or private securities underwritings, and (B) and professional services provided to the Corporation by the independent auditors other than those provided to the Corporation in connection with an audit or a review of the financial statements of the Corporation ("non-audit services"), in either case to be provided to the Corporation by the independent auditors as required by and to the extent permissible under Applicable Rules. Pre-approval authority may be delegated by the Committee to one or more of its members. Any actions taken by any such member(s) shall be reported to the Committee at the next meeting following such action. Approval of non-audit services by the Committee must be disclosed in the Corporation's filings under the Exchange Act to the extent required by Applicable Rules.

4. Review with the independent auditors and approve, prior to the beginning of their audit, the scope of their examination and the extent to which the planned audit scope can be relied upon to detect weaknesses in internal controls and to expose any activities which might be deemed illegal or otherwise improper. The Committee shall confirm with the independent auditors that the examination is in accordance with U.S. generally accepted auditing standards.

5. Obtain and review the written disclosures and the letter from the independent auditors required by Independence Standard Board Standard No. 1 and discuss with the independent auditors their independence.

6. Obtain and review a report from the independent auditors at least annually regarding (a) the auditor's internal quality-control procedures, (b) any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditors and the Corporation. After reviewing the foregoing report and the independent auditor's work throughout the year, evaluate at least annually the qualifications, performance and independence of the independent auditors, including a review and evaluation of the lead partner of the independent auditor and taking into account the opinions of management and the Corporation's internal auditors. In this context to the extent the Committee deems it desirable or appropriate, the Committee should consider whether the independent auditor's quality controls are adequate; whether the provision of non-audit services, if any, is compatible with maintaining the independent auditor's independence; and whether, in order to assure continuing auditor independence, it is appropriate to rotate the Corporation's independent auditing firm. Present the Committee's conclusions with respect to the independent auditor to the full Board.

7. Inquire as to the extent to which external accountants other than the principal independent auditors are used and understand the rationale for using them and the extent of the review of their work to be performed by the principal auditor.

8. Confirm that the lead (or coordinating) partner of the independent auditing firm having responsibility for the audit of the Corporation's financial statements and the partner responsible for reviewing the audit has performed audit services for the Corporation for no more than the five (5) previous fiscal years of the Corporation.

9. The Committee shall be responsible for overseeing the compliance by the Corporation and the independent auditor with the requirements imposed by the Public Company Accounting Oversight Board (the "Oversight Board"). The Committee should request and receive assurances from the independent auditor that it has complied with the rules and policies of the Oversight Board and all other Applicable Rules.

Financial Reporting/Internal Controls

10. Review and discuss with management, the internal auditors and the independent auditors the Corporation's annual audited financial statements, including the related "Management's Discussion and Analysis of Financial Conditions and Results of Operations."

11. Review and discuss with management, the internal auditors and the independent auditors the Corporation's quarterly financial statements, including the related "Management's Discussion and Analysis of Financial Conditions and Results of Operations," and the results of the independent auditors' review of the quarterly financial statements.

12. Discuss the Corporation's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and need not be done in advance of each earnings release or each instance in which the Corporation may provide earnings guidance.

13. Meet with the independent auditors, review the audit opinion and discuss the matters required to be discussed by Statement of Auditing Standards No. 61.

14. Review regularly with the independent auditors any audit problems or difficulties the independent auditors encountered during the course of its audit work and management's response, including, without limitation:

- Any restrictions on the scope of the independent auditor's activities or access to requested information;
- Any significant disagreements with management, any accounting adjustments that were noted or proposed by the independent auditors but were "passed" as immaterial or otherwise;
- Any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented during the independent auditor's work with the Corporation;
- Any accounting or disclosure issues not resolved to the independent auditors' satisfaction;
- Any concerns about the quality of the Corporation's accounting personnel and the reporting policies and practices of the Corporation and the responsibilities, budget and staffing of the Corporation's internal audit firm.

15. Obtain from, and review and discuss with, the independent auditors the report contemplated by Section 10A(k) of the Exchange Act covering:

- All critical accounting policies and practices used;
- All alternative treatments of financial information within GAAP that have been discussed by the independent auditors with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditors; and
- Other material written communications between the independent auditors and management.

16. Review the independent auditor's written communications with management, including, without limitation, any management letter, internal control letter or schedule of unadjusted differences.

17. Review with the management, the internal auditors and the independent auditors, in each case separately or together as the Committee deems appropriate:

- Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies;
- Analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparations of the financial statements of the Corporation, including analyses of the effects of alternative GAAP methods on the Corporation's financial statements;
- The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation;
- Earnings press releases (paying particular attention to any use of "pro forma," "adjusted" or other non-GAAP information or financial measures), as well as financial information and earnings guidance provided to analysts and rating agencies;
- The development and selection of the Corporation's critical accounting estimates (i.e., accounting estimates which require the Corporation to make assumptions about matters that are highly uncertain at the time of the estimate, and different estimates that the Corporation reasonably could have used, or changes in the estimate that are reasonably likely to occur from period to period, would have a material impact on the presentation of the Corporation's financial condition or results of operations);
- Related party transactions;
- The nature of any material correcting adjustments identified by the independent auditor;
- Significant unusual transactions; and
- The substance of any significant litigation, contingencies or claims that had, or may have, a significant impact on the financial statements.

18. Meet separately, periodically, with management, the internal auditors and the independent auditors.

19. Based on the review and discussions referred to in Items 5, 10, and 13 above and such other factors as the Committee determines to be relevant, recommend whether the Corporation's annual audited financial statements should be included in the Corporation's Annual Report or Form 10-K.

20. Discuss with management, the internal auditors and the independent auditors, prior to the filing with the SEC of each Annual Report on Form 10-K and Quarterly Report on Form 10-Q, (a) the matters covered by the certifications of the Corporation's chief executive officer and chief financial officer required to be included in or to accompany those reports under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 and Rules 13a-14 and 15d-14 under the Exchange Act (including, to the extent disclosed to the Committee by management, all significant deficiencies and material weaknesses in the design or operation of the Corporation's internal controls and procedures for financial reporting which could adversely effect the corporation's ability to record, process, summarize and report financial information required to be disclosed by the Corporation in the reports that it files or submits under the Exchange Act within the time periods specified under the SEC's rules and forms, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls and procedures for financial reporting) and (b) the results of management's evaluation of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures and internal controls and procedures for financial reporting contemplated by Rules 13a-15 and 15d-15 under the Exchange Act.

21. Review on an annual basis the performance of the Corporation's internal audit function. The Committee shall discuss with the chief financial officer, the internal audit staff and the independent auditor, as appropriate, the internal audit function, the adequacy and scope of the annual internal audit plan and any recommended changes in the planned scope of the internal audit function. The Committee shall have the authority to modify or supplement the internal audit plan. The internal audit staff may at any time, at their option or when so directed by the Committee, report on any matter directly to the Committee.

22. Discuss with management the Corporation's policies and guidelines with respect to risk assessment and risk management, including the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.

23. Review with the independent auditors and the internal auditors management's activities during the year to provide reasonable assurance as to the adequacy and effectiveness of the Corporation's internal controls, including its electronic data processing procedures, controls and security programs and budget and staffing of the Corporation's internal audit function.

24. Review with the independent auditors and the internal auditors the program established by the management to monitor compliance with laws and regulations.

25. Review and discuss with management and the independent auditors any internal control report of management and the attestation and report related to the assessment of internal controls by the independent auditor, in each case required to be included in the Corporation's Annual Report on Form 10-K.

26. Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. Investigate any other matter brought to the Committee's attention within the scope of its duties.

Other

27. Receive briefings on various financial operations on a continuing basis to expand each member's knowledge of the financial matters impacting the Corporation.

28. Set clear policies for the Corporation's hiring of employees or former employees of the independent auditors.

29. The Committee shall have the authority to establish other rules and operating procedures in order to fulfill its obligations under this Charter and Applicable Rules.

30. Report regularly to the Board of Directors and review with the Board any issues that arise with respect to quality or integrity of:

- a. The Corporation's financial statements;
- b. The Corporation's compliance with legal or regulatory requirements;
- c. The performance and independence of the independent auditors; or
- d. The performance of the internal auditors.