



COMMONWEALTH INDUSTRIES, INC.

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

- A. **Composition.** The Audit Committee (the “Committee”) shall be comprised of three or more directors who, other than in their capacity as members of the Committee, the Board or any other Board committee, do not accept any consulting, advisory, or other compensatory fee from the Company or any of its subsidiaries or are not officers or employees or other affiliated persons of the Company or its subsidiaries, who do not have any relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, who are able to read and understand fundamental financial statements, and who otherwise satisfy the applicable membership requirements under the rules of the Nasdaq Stock Market, as such requirements are interpreted by the Board in its business judgment. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior executive with financial oversight responsibilities and, if practical, shall be a financial expert as that term is defined by the Securities and Exchange Commission (the “SEC”). The Company shall disclose, as required by rules of the SEC, whether or not at least one member of the Committee is such a financial expert, and if not, the reasons therefor.
- B. **Purpose of the Audit Committee.** The purpose of the Committee is to assist Board oversight of:
- (1) the integrity of the Company’s financial statements;
 - (2) the Company’s compliance with legal and regulatory requirements;
 - (3) the independent auditor’s qualifications and independence;
 - (4) the performance of the independent auditors and the Company’s internal audit function; and
 - (5) the Company’s compliance and conflict of interest policies and procedures.

It is also the purpose of the Committee:

- (1) to provide an open avenue of communication among the independent auditors, financial and executive management, the internal auditors and the Board; and
- (2) to encourage continuous improvement of, and to foster adherence to, the Company’s accounting, financial reporting, conflict of interest and compliance policies, procedures and practices.

The function of the Committee is oversight. Management is responsible for the preparation, presentation and integrity of the Company’s financial statements. Management and the internal auditing employees are responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for planning and carrying out proper audits and reviews, including reviews of the Company’s quarterly

financial statements prior to the filing of each quarterly report on Form 10-Q, an audit of the Company's annual financial statements prior to the filing on Form 10-K and other procedures.

C. **Charter; Annual Evaluation.**

- (1) The Committee shall review and assess the adequacy of this Charter at least annually and shall recommend any proposed changes to the Board for approval.
- (2) The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, comparing the performance of the Committee with the requirements of this Charter and setting forth the goals and objectives of the Committee for the coming year. The evaluation shall be conducted in such manner as the Committee deems appropriate and the report to the Board may be an oral report by the Chairman of the Committee or his or her designee.

D. **Independent Auditors.**

- (1) The Committee, in its capacity as a committee of the Board of Directors, shall be directly responsible for the appointment, compensation and oversight of the work of the independent auditors employed by the Company for the purpose of preparing or issuing an audit report or related work (including resolution of disagreements between management and the auditors regarding financial reporting), and the independent auditors shall report directly to the Committee. The Committee shall have the sole authority to approve all audit engagement fees and terms, as well as all significant non-audit engagements with the independent auditors. All auditing services and non-audit services provided to the Company by the independent auditors shall be pre-approved by the Committee or by its Chairman or a member of the Committee designated by the Chairman. The decisions of the Chairman or of any member to whom authority is delegated to pre-approve an auditing or non-audit service shall be presented to the full Committee at its next scheduled meeting.
- (2) In connection with its evaluation of the independent auditors' qualifications, independence and performance, the Committee shall:
 - (a) obtain annually and review a written statement by the independent auditors identifying all relationships between the auditors and the Company, including the matters set forth in Independent Standards Board Standard No. 1, and consider whether any disclosed relationships or services may impact the quality of audit services or the objectivity and independence of the auditors;
 - (b) obtain annually and review a written statement by the independent auditors describing the audit firm's internal quality-control procedures; any material issues raised by the most recent internal quality review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
 - (c) obtain annually and review a written statement by the independent auditors of the fees billed for the audit of the Company's annual financial statements for the most recent fiscal year and the reviews of the financial statements included in the Company's quarterly reports on Form 10-Q for that fiscal year; for information technology consulting services for the most recent fiscal year, in the aggregate and by each service; and for all other services rendered by the auditors for the most recent fiscal year, in the aggregate and by each service;

- (d) if applicable, consider whether the independent auditors' provision of non-audit services to the Company is compatible with maintaining the independence of the independent auditors;
- (e) review and evaluate the qualifications, performance and independence of the independent auditors, which evaluation shall include the review and evaluation of the lead partner of the independent auditors;
- (f) obtain assurances from the independent auditors as appropriate that either the lead audit partner nor the audit partner responsible for review of the audit has performed audit services for the Company in each of the five previous fiscal years of the Company and consider whether there should be a regular rotation of the audit firm;
- (g) establish Company hiring policies for employees or former employees of the independent auditors; and
- (h) take into account the opinions of management and the Company's internal auditors.

E. **Internal Auditors.** The Committee shall discuss with management and the independent auditors:

- (1) the quality and adequacy of the Company's internal accounting controls;
- (2) the organization of the internal audit staff, the adequacy of its resources, plan and activities and the competence of the internal audit staff, as needed;
- (3) the audit risk assessment process and the proposed scope of the internal audit function for the upcoming year and the coordination of that scope with the independent auditors; and
- (4) summaries of and, as appropriate, the significant reports to management prepared by the internal auditors and management's responses thereto.

F. **Financial Reporting Principles and Policies.**

- (1) The Committee shall consider and discuss with the independent auditors and management as appropriate all reports and communications (and management's responses thereto) submitted to the Committee by the independent auditors required by the Securities Exchange Act of 1934, rules and regulations of the SEC, SAS 61 as amended or other accounting and auditing professional standards, rules of the Public Company Accounting Oversight Board, rules of the Nasdaq Stock Market or other applicable laws or regulations, including reports and communications relating to:
 - all critical accounting policies and practices to be used;
 - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;
 - other material written communications between the independent auditors and the management, such as any management letter or schedule of unadjusted differences;

- any restrictions on audit scope;
- deficiencies noted in the audit in the design or operation of internal controls;
- consideration of fraud in a financial statement audit;
- detection of illegal acts;
- the independent auditor's responsibility under generally accepted auditing standards;
- management judgments and accounting estimates;
- adjustments arising from the audit;
- the responsibility of the independent auditors for other information in documents containing audited financial statements;
- disagreements with management;
- consultation by management with other accountants;
- major issues discussed with management prior to retention of the independent auditor;
- difficulties encountered with management in performing the audit;
- the independent auditor's judgments about the quality of the Company's accounting principles; and
- reviews of interim financial information conducted by the independent auditor.

(2) The Committee shall discuss with management and the independent auditors:

- (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles;
- (b) significant issues discussed by the independent auditors with the independent auditors' national office;
- (c) major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies;
- (d) analyses prepared by management or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative generally accepted accounting principles on the financial statements, and the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
- (e) the nature of any unusual or significant commitments or contingent liabilities together with the underlying assumptions and estimates of management;

- (f) guidelines and policies governing the process by which management assesses and manages the Company's exposure to risk, and the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures; and
- (g) certificates and disclosures made by the chief executive officer and the chief financial officer of the Company required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.

G. Audited Financial Statements.

- (1) The Committee shall discuss with management and the independent auditors
 - (a) the scope of the annual audit;
 - (b) the form of opinion the independent auditors propose to render to the Board of Directors and stockholders; and
 - (c) the audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".
- (2) The Committee shall:
 - (a) based upon the reviews and discussions referred to in preceding paragraphs, advise the Board whether it recommends that the audited financial statements be included in the Company's Annual Report on Form 10-K for the last fiscal year; and
 - (b) prepare any report or other disclosures, including any recommendation of the Committee, required by the rules of the SEC to be included in the Company's annual proxy statement.

H. Interim Financial Statements. The Committee through its Chairman or his or her designee, or the Committee as a whole, shall discuss with management and independent auditors the interim quarterly financial statements reviewed by the auditors using professional standards and procedures for conducting such reviews as established by accounting standards generally accepted in the United States, as may be modified or supplemented, and the matters required to be discussed by the applicable Statement on Auditing Standards (including SAS 71 as amended) prior to the filing of the Company's quarterly reports on Form 10-Q.

I. Real Time Disclosures; Guidance. The Committee through its Chairman or his or her designee, or the Committee as a whole, shall discuss with management and, as appropriate, the independent auditors, press releases or other public disclosures of material changes in the financial condition or operations of the Company, earnings or earnings guidance, as well as financial information and earnings guidance provided to analysts and rating agencies.

J. Compliance and Legal Matters.

- (1) The Committee shall:
 - (a) review the results of compliance programs, including the Company's conflicts of interest policies and procedures;

- (b) receive at least annually and review a report or reports by the manager of the internal audit staff of expense accounts of directors and corporate officers by major category of expense and to the effect, if true, that no personal loans have been made by the Company to any director or executive officer prohibited by Section 13(k) of the Securities Exchange Act of 1934;
 - (c) review significant findings of any examination by regulatory authorities or agencies in the areas of securities, accounting or tax, such as the SEC or the Internal Revenue Service;
 - (d) review at least annually with the Company's counsel any litigation, environmental issues, or other legal matters or developments that could have a significant impact on the Company's financial results, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies; and
 - (e) review at least annually the Company's compliance programs.
- (2) The Committee shall review and approve all transactions between the Company and any related party as required by rules of the Nasdaq Stock Market.
- (3) The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- K. **Meetings.** The Committee shall meet in conjunction with each regularly scheduled Board meeting and in special meetings as circumstances dictate. Each regular meeting of the Committee shall include separate meetings with the manager of internal audit staff and the independent auditors and, at least annually, with the chief financial officer and general counsel of the Company. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all person participating in the meeting can hear each other.
- L. **Resources and Authority.** The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to cause an investigation to be made into any matter within the scope of its responsibility. The Committee may engage independent counsel and other advisers as it determines necessary to carry out its duties. The Company shall provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of compensation to the independent auditors employed for the purpose of issuing an audit report and to any advisers employed by the Committee.

Adopted April 27, 2000
Amended and Restate February 26, 2001
Amended and Restated December 10, 2002