

ElkCorp
AUDIT COMMITTEE CHARTER
(Amended and Restated April 25, 2005)

ESTABLISHMENT AND PURPOSE

One committee of the Board of Directors of ElkCorp (the “Corporation”) will be known as the Audit Committee (“Audit Committee” or “Committee”). The primary purpose of the Committee is to assist the Board of Directors in fulfilling its oversight of the integrity of ElkCorp’s financial statements, ElkCorp’s compliance with financial reporting requirements, the independent auditors’ qualifications, independence and performance, and the performance of ElkCorp’s internal audit function.

MISSION AND PRINCIPLES

The Committee shall have the following mission and strive to apply the following principles in the performance of its duties for the Corporation:

- The integrity of financial information provided by the Corporation to any governmental body or the public is essential to the long-term success of the Corporation. It necessitates that the Committee provide review of the Corporation’s published financial statements and related reports, as well as the Corporation’s systems of internal controls regarding finance, accounting, financial reporting, compliance and ethics, and the Corporation’s auditing, accounting and financial reporting process generally.
- The Committee should foster adherence to the Corporation’s policies, procedures and practices at all levels and should encourage continuous improvement of them.
- The Corporation’s independent auditors are ultimately accountable to and will report directly to the Committee.
- The Corporation’s internal audit function is accountable to and will ultimately report to the Committee.

MEMBERSHIP

General.

The Committee shall consist of three or more directors, as determined by the Board. Committee members shall be appointed by the Board, and each Committee member

shall serve for a period of one year or until such time as their successor has been duly named and qualified.

Independence.

The Board must determine in its best judgment no less than annually that each member of the Committee is independent of management and qualified to serve by experience or education. An independent director means a person who has been affirmatively determined by the Board to be free of a material relationship with the Corporation, its subsidiaries, affiliates or officers, other than his or her relationship as a director or Board committee member, and otherwise independent. Without limiting the foregoing, the Board should confirm that:

- the director is not disqualified from independence under applicable Securities and Exchange Commission (SEC) or New York Stock Exchange (NYSE) standards, and any applicable laws, regulations, and rules, as amended from time to time; and
- the director is free of any other direct or indirect relationship with the Corporation or its subsidiaries that is reasonably likely to interfere with the director's exercise of his or her independent judgment based on the corporate merits of a subject before the Board rather than extraneous considerations or influences.

Each member of the Committee shall remain independent during their term of service on the Committee, and may not accept any consulting, advisory or other compensatory fee or other compensation, other than standard director's and committee compensation from the Corporation, nor become an affiliated person of the Corporation or any of its subsidiaries.

Other Qualifications.

To be qualified to serve, each member of the Committee shall be financially literate under applicable laws, regulations, rules and Board standards. All members of the Committee shall have a working familiarity with basic finance and accounting practices. At least one member of the Committee shall be a financial expert as defined under the Sarbanes-Oxley Act of 2002, and other applicable laws, regulations, values and Board standards.

Generally, no member of the Committee shall serve as a member of the audit committee of more than two public companies other than the Corporation. If a member of the Committee serves or is nominated or proposed to serve as a member of the audit committee of more than two other public companies, such member shall deliver a written statement to the Board and the Committee on an annual basis

describing the time commitment required in order for such member to serve on the audit committee of each such other public company and any expected changes in such time commitment during the next year, and the Board (with the member under discussion absent) shall evaluate such information in determining whether such other time commitments should disqualify such member from serving on the Committee.

DUTIES

The Committee shall perform the following duties:

General.

The Committee shall provide such assistance as the Board shall request in connection with the general oversight of the Corporation's financial reporting, legal and regulatory compliance, internal control and audit functions.

Independent Auditors.

The independent auditors for the Corporation are ultimately accountable to the Board and the Committee, and the Committee has the ultimate authority and responsibility for the selection, appointment, compensation, evaluation, retention and oversight of the work of any independent auditors engaged (including resolution of any disagreements between management and the auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation. Such independent auditors shall report directly to the Committee. Without limiting the foregoing, the Committee shall have the duty and responsibility to:

- select, appoint, evaluate, retain, terminate and replace the Corporation's independent auditors (subject, if the Committee so determines or it is required by NYSE standards or law, to shareholder ratification);
- review the planned scope and arrangements for annual audits;
- obtain and review, at least annually, a report by the Corporation's independent auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control 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;
- ensure that the independent auditors submit on a periodic basis to the Committee a formal written statement delineating all relationships between the

auditors and the Corporation, actively engage in a dialogue with the auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors, and recommend that the Board take appropriate action in response to the reports from the auditors to satisfy itself of the auditors' independence;

- establish policies for audit partner rotation on no more than a five-year cycle, and periodically evaluate whether or not audit firm rotation is required or appropriate;
- review any report made by the Corporation's independent auditors pursuant to Section 10A(k) of the Exchange Act (critical accounting policies, potential alternative treatments and material written communications between the independent auditors and management);
- review with auditors and management recent FASB, SEC or other agency pronouncements that may impact the Corporation's accounting, financial reporting, or internal controls;
- discuss anything else about audit procedures or findings that GAAS or other applicable standards, rules or regulations require the independent auditors to discuss with the Committee, or vice versa;
- review with the Corporation's independent auditors any audit problems or difficulties and any significant findings and recommendations of auditors, and management's response;
- resolve any disagreements between management and Corporation's independent auditors regarding financial reporting; and
- pre-approve all audit engagement fees and terms and pre-approve all non-audit services provided to the Corporation by its independent auditors (subject to the de minimis exceptions for certain non-audit services set forth in Section 10A(i)(1)(B) of the Exchange Act); provided, that the Committee may delegate to one or more subcommittees the authority to grant approvals of audit and permitted non-audit services.

Complaints.

The Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by

employees of the Corporation of concerns regarding questionable accounting, internal controls or auditing matters.

Other Responsibilities.

It shall also be the duty and responsibility of the Committee to:

- review the Corporation’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and discuss the annual audited financial statements and quarterly financial statements of the Corporation and other significant financial disclosures with management and the independent auditors of the Corporation, including without limitation the Corporation’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and any other matters required to be reviewed under applicable legal, regulatory or NYSE requirements;
- review and discuss earnings press releases to be issued by the Corporation, as well as financial information and earnings guidance provided to analysts and rating agencies;
- consider and discuss with management, as appropriate, the activities, organizational structure and qualifications of internal auditors;
- review and discuss routine reports of internal auditors;
- review and discuss any reports of independent auditors, internal auditors and management on accounting and financial reporting errors, fraud or defalcations, illegal acts and non-compliance with the Corporation’s Policy on Legal and Ethical Compliance/Conflicts of Interest/Gifts/Political Contributions (General Policy Letter D-2) (as it may be modified from time to time, “Code of Conduct”);
- as appropriate, obtain advice and seek assistance from outside legal, accounting or other advisors;
- review management’s internal control report and the independent auditor's attestation related thereto;
- discuss policies with respect to risk assessment and risk management;
- meet separately, periodically, with management, with internal auditors (or other personnel responsible for the internal audit function) and with independent auditors;

- discuss any matters required to be discussed by Statement on Auditing Standards No. 61, as it may be amended;
- set clear hiring policies for employees or former employees of the independent auditors, including such minimum “cooling off period” or other procedures necessary, under standards of the Public Company Accounting Oversight Board, SEC, NYSE or other regulatory agencies or self-regulatory organizations, to preserve the independence of auditors and members of the Committee;
- when requested by the Board or the General Counsel of the Corporation, review with the Board or the General Counsel the Corporation’s Code of Conduct, Code of Ethics for financial officers and the chief executive officer, and loss contingencies or other matters that may have a material effect on the financial condition or results of operations of the Corporation or its compliance policies; and
- perform such other appropriate functions which from time to time may be assigned by the Board of Directors.

Certain Limitations.

It is the responsibility of the Corporation’s management to prepare consolidated financial statements that are complete and accurate and in accordance with generally accepted accounting principles, and it is the responsibility of the Corporation’s independent auditors to audit those financial statements. The Committee’s responsibility in this regard is one of oversight and review, not to provide any expert or other special assurance as to such financial statements.

Although the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to initiate or conduct investigations unless directed to do so by the Board, or to administer compliance with applicable laws or regulations or the Corporation’s policies and procedures. Furthermore, the manner in which such responsibilities and powers are to be exercised should be determined by the Committee in light of the circumstances and conditions existing from time to time. In many cases, the Committee will discharge its responsibilities through evaluating information and reports presented or otherwise given to the Committee by the Corporation’s management, internal auditors and independent accountants. Members of the Committee are not required to assume the full functions or responsibilities of full-time employees of the Corporation or of experts in the fields of accounting or auditing.

ADMINISTRATION AND OPERATION

Election

The Board of Directors shall elect the members of the Committee at its first meeting following the Annual Meeting of Shareholders. Unless the Board of Directors elects a Chair, the members of the Committee shall designate a Chair by majority vote of the full Committee membership.

Meetings

The Committee will meet at least quarterly, and more frequently if circumstances warrant. A majority shall constitute a quorum of the Committee for purposes of each meeting. All Committee actions shall be taken by a majority vote of the quorum of members present in person or by telephone at the meeting.

The Committee members will have sole discretion in determining the meeting attendees and agenda. Senior executive officers may be invited to participate in meetings of the Committee, but may be excused from participation in discussions of any matter under consideration at the discretion of the Committee.

Subcommittees.

To the extent permitted by the Corporation's bylaws, NYSE listing standards and applicable law, the Committee may delegate specified duties and responsibilities to a subcommittee created by a vote of a majority of the members of the Committee. Each subcommittee shall have one or more members designated by the Committee, and shall be governed by such procedures as the Committee shall determine from time to time.

Committee Rules.

Meetings need not be conducted according to Roberts Rules of Order or any other particular procedures, and the Committee may establish such rules as it determines to be necessary or appropriate to conduct its business, so long as such rules do not contravene the express provisions of its bylaws, this Charter or applicable law, including without limitation the requisite quorum and vote.

Committee Access to Management, Employees and Outside Advisors.

Members of the Committee shall have direct access to the Corporation's senior management, employees, and financial, legal and other business advisors, as requested, and as may be necessary and appropriate to support Committee functions.

Authority to Engage Counsel and Advisors.

The Committee shall have the sole authority (with the knowledge of the Board) to retain and terminate independent auditors, and the authority to hire independent counsel, and accounting, financial and other advisors as may be necessary or appropriate to support Committee functions.

Performance Evaluation of Committee.

The Committee will establish and recommend for Board approval the criteria, procedures and timing of an annual performance evaluation of the Audit Committee. As part of this annual performance evaluation, the Committee will review and reassess the Committee's charter, responsibilities, and methodology and institute appropriate changes to improve performance or reflect changes in the business or regulatory environment.

Reports.

The Committee will keep minutes of its meetings and promptly report on all Committee business and affairs to the Board. In addition, the Committee will prepare the Audit Committee Report to shareholders included with the annual proxy statement, and file its charter with the proxy statement at least triennially in accordance with applicable regulations of the SEC or as otherwise required by law or appropriate.