

WESTLAKE CHEMICAL CORPORATION

Compensation Committee Charter

Revised effective as of February 21, 2005

Purpose

The Compensation Committee of the Board of Directors (the “Committee”) is constituted and established by the Board (1) to review and approve the compensation of the executive officers and other key employees of the Company, (2) to review the fees and other compensation received by directors for service on the Board and its committees, (3) to administer, and make recommendations to the Board with respect to the design of, the Company’s incentive-compensation plans, equity-based plans and other compensation and benefit plans and (4) to produce a compensation committee report on executive compensation as required by the Securities and Exchange Commission for inclusion in the Company’s annual proxy statement.

Membership and Meetings

1. The Committee shall be appointed by the Board of Directors and, subject to any applicable phase-in rules, shall consist of not less than three members of the Board of Directors, each of whom shall serve at the discretion of the Board. The Committee shall elect a Chairman (unless appointed by the Board).

2. So long as the Company qualifies for the “controlled company” exception under the rules of the New York Stock Exchange, which the Company has elected to take advantage of, the Board of Directors shall select as a member of the Committee one person that the Board of Directors has determined meets the requirements of an “independent director” under the New York Stock Exchange listing standards. Once the Company no longer qualifies for the exception, the Board of Directors shall select as members of the Committee only persons that the Board of Directors has determined meet the requirements of an “independent director” under the New York Stock Exchange listing standards.

3. The Committee shall meet as often as it determines is necessary in order to fulfill its responsibilities.

Authority and Responsibilities

1. The Committee shall annually review and approve all aspects of compensation for the Chief Executive Officer, including but not limited to, a review and approval of corporate goals and objectives relevant to the compensation of the Chief Executive Officer, an evaluation of the performance of the Chief Executive Officer in light of those goals and objectives, and a determination of the compensation levels of the Chief Executive Officer based on the Committee’s evaluation. In determining the long-term incentive component of the compensation of the Chief Executive Officer, the Committee should consider the Company’s performance and relative shareholder return, the value of similar incentive awards to chief executive officers at

comparable companies, the awards made to the Chief Executive Officer in past years and such other factors that the Committee deems relevant.

2. The Committee shall annually review recommendations of the Chief Executive Officer with respect to, and approve, all aspects of compensation for other executive officers and key employees of the Company (collectively, the “Senior Officers”), such review to include at a minimum those executive officers who are named in the summary compensation table in the Company’s annual proxy statement.

3. The Committee shall be responsible for approving executive employment agreements and any change-in-control protection offered by the Company to its employees.

4. When and as it deems necessary or appropriate, the Committee shall review the compensation of non-employee directors, including compensation pursuant to equity-based plans, and shall approve, or recommend to the Board, any changes in such compensation.

5. The Committee shall make recommendations to the Board with respect to the establishment and modification of the Company’s incentive-compensation plans and equity-based plans and, as deemed appropriate by the Committee, other compensation and benefit plans.

6. The Committee shall make recommendations to the Board of Directors with respect to the issuance of the Company’s common stock, options and other awards pursuant to the provisions of the Company’s compensation and benefits plans.

7. The Committee shall perform such duties as may, from time to time, be delegated to the Committee under the compensation and benefit plans of the Company or its subsidiaries and affiliates, including the administration of incentive-compensation plans and equity-based plans, subject to regulatory requirements.

8. The Committee shall periodically review with the Chief Executive Officer succession planning with respect to the Chief Executive Officer and other executive officers of the Company.

9. The Committee shall issue a report on executive compensation as required by the Securities and Exchange Commission for inclusion in the Company’s annual proxy statement.

10. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of the compensation of the non-employee directors of the Company, the Chief Executive Officer or the Senior Officers, and shall have sole authority to approve the consultant’s fees and other retention terms.

11. The Committee shall be assisted by appropriate corporate staffs, and in addition, the Committee may obtain assistance from such other persons, who need not be employees of the Company, or organizations as it may deem appropriate, with the expenses incurred in their use to be paid by the Company. The foregoing authority includes obtaining advice and assistance from internal or external legal, accounting or other advisors and consultants.

12. The Committee may, to the extent permitted by applicable law, the Company’s certificate of incorporation and the Company’s bylaws, appoint and delegate authority to subcommittees consisting of one or more members as it deems appropriate.

13. The Committee may fulfill such other duties and responsibilities as are consistent with the purposes of the Committee enumerated in this Charter or as may be delegated by the Board from time to time.

14. The Committee shall review and reassess the adequacy of this Charter and the composition of the Committee annually and recommend any proposed changes to the Board for approval. The Committee also shall at least annually review its own performance and assess the effectiveness of the Committee.