

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

MISSION AND PURPOSE

One committee of the Board of Directors of ElkCorp (“the Corporation”) will be known as the Compensation Committee (Compensation Committee or Committee). The Committee's mission will be to ensure that the Corporation's compensation program for key executives is effective in attracting and retaining key executives, that it links pay to performance, and that it is administered fairly and in the shareholders' interests. The Compensation Committee will review and recommend to the Board of Directors appropriate executive compensation policy, compensation of ElkCorp directors and officers, and executive and employee benefit plans and programs, and shall be responsible to the Board of Directors for overseeing such policies, compensation, plans and programs approved by the Board of Directors and, where appropriate, by the shareholders.

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 and Qualifications.

The Board must determine in its best judgement 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 ElkCorp and its subsidiaries, other than his or her relationship as a director or Board committee member, and otherwise independent within the meaning of New York Stock Exchange Rules and any applicable laws regulations, and rules, as amended from time to time. Without limiting the foregoing, the Board should confirm that:

- a) the director is not disqualified from independence under applicable Securities and Exchange Commission or New York Stock Exchange standards; and

- b) the director is free of any other direct or indirect relationship with ElkCorp 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.

In addition, each member of the Committee shall be a "non-employee director" as that term is defined under Securities and Exchange Commission Rule 16b-3; and, an "outside director" as that term is defined for the purposes of the Internal Revenue Code section 162(m). No member of the Compensation Committee shall occupy a position disclosable as a compensation committee interlock under Securities and Exchange Commission regulations.

Each member of the Compensation 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 ElkCorp, nor become an affiliated person of ElkCorp or any of its subsidiaries.

## POLICIES AND PRINCIPLES

The Committee shall apply the following principles in the performance of their duties for the Corporation:

- Compensate competitively in order to attract, retain and motivate a highly competent executive team dedicated to achieving the Corporation's mission and strategic plans, which are designed to result in long-term growth in shareholder value;
- Tie individual compensation to individual and team performance and the success of the Corporation;
- Align the executive officers and certain eligible employees' interests with those of the Corporation by making incentive compensation dependent upon the performance of the Corporation or the appropriate business unit;
- Align executive officers' and selected eligible employees' interests with those of the Corporation and its shareholders by providing long-term compensation opportunities through participation in the Corporation's Employee Stock Ownership Plan, Incentive Stock Option Plan, Equity Incentive Compensation Plan and/or any successor or other long-term incentive compensation plans as may be adopted from time to time; and

- Maximize the tax deductibility of executive compensation.

## DUTIES

The Committee shall perform the following duties:

### General.

- Recommend to the Board of Directors the compensation and benefits philosophy and strategy for the Corporation, in consultation with senior management of the Corporation.

### Performance Evaluation.

- Recommend performance measures and, if applicable, goals for measuring corporate and business unit performance in consultation with the Chairman of the Board, CEO and President, for approval by the Board of Directors.
- Establish and administer performance goals and certify that performance goals have been attained for Section 162(m).
- Assess the performance of the Chairman of the Board, CEO, President and COO.

### Evaluation of Competitive Pay and Overall Financial Contributions.

- Evaluate competitive pay levels for key executives based on reliable industry analyses; approve "peer group" companies to be included in competitive compensation comparisons.
- Review the financial performance and operation of major compensation or benefit programs involving stock or commitments beyond one year (stock loan plan, incentive stock options, employee stock ownership, 401(k), employment contracts, etc.) and recommend approval of awards and rate of annual contribution to plans and changes where appropriate.

### Compensation Determinations.

- Recommend to the Board of Directors compensation awards for the Chairman, CEO and President, including salary, bonus, stock and option awards, and, if applicable, contracts and any supplemental compensation or benefit arrangements.
- Review and approve compensation programs covering ElkCorp executive officers and other selected employees and, upon recommendation of the Chairman of the

Board, CEO and President, review and recommend Board of Directors' approval of individual compensation awards for the executive officers.

- Recommend to the Board the compensation for Board members (retainer, committee chairman's fees, stock options, and other similar items as appropriate).
- Recommend other ElkCorp compensation programs covering Corporation directors for approval by the Board of Directors and administration by management.

Other Duties.

- Oversee regulatory compliance and efficiency in connection with compensation matters, including determining Corporation policies on structuring compensation programs to preserve tax deductibility, and approving employee and director compensation plans as needed for Section 16 exemptions and other regulatory and tax considerations.
- Make non-material changes to the Corporation's executive incentive plans in accordance with their terms (subject to any required Board and/or shareholder approval).
- Perform such other functions which from time to time may be assigned by the Board of Directors.

## ADMINISTRATION

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 three times each year, 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.

*Committee Access to Management 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. The Committee shall have the sole authority (with the knowledge of the Board) to retain and terminate any compensation consultant used to assist in the evaluation of a director, CEO, or senior executive, or their compensation, and the authority to hire independent counsel and advisors as may be necessary or appropriate to support Compensation 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 Compensation 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 Compensation Committee Report to shareholders included with the annual proxy statement.