



## **Koppers Holdings Inc.**

### **Audit Committee Charter**

Koppers Holdings Inc. (the "Company") shall form and maintain an audit committee (the "Committee") of the Board of Directors of the Company (the "Board") which shall have the purpose, responsibilities and powers set forth below.

#### **I. Primary Purposes**

The Committee shall assist the Board in connection with and have oversight of the integrity of the Company's financial statements; be directly responsible for the appointment, compensation and supervision of the Company's public accounting firm (the "Auditor"); and resolve all disagreements between the Auditor and management of the Company ("Management") in connection with the Company's annual audit. The Committee shall further assist the Board's oversight of the Company's compliance with legal and regulatory requirements; the Auditor's qualifications and independence; and the performance of the Company's internal audit function and the Auditor.

#### **II. Organization**

The Committee shall be comprised of at least three directors. The Committee shall have the power to form and delegate authority to one or more subcommittees.

Each member of the Committee must be an independent director as defined by any applicable law or regulation, the policies, practices and procedures of the New York Stock Exchange and the Company's corporate governance guidelines.

Each Committee member shall be able to read and understand financial statements and be financially literate. The Committee shall have at least one member who qualifies as a financial expert within the meaning of applicable rules and regulations of the Securities and Exchange Commission ("Commission").

Each Committee member and the Chairperson will be recommended by the Nominating and Corporate Governance Committee and shall be elected by vote of the Board to serve a term of one year or until their successors are duly elected, whichever is later. Committee members and the Chairperson may serve successive one-year terms without limitation. Prior to appointment, the compensation of the Committee members shall be fixed. A Director may be removed from the Committee by the Board. A Director may resign as a member of the Committee upon notice to the Secretary of the Company and the Chairperson of the Board.

The Committee shall fix its own rules of procedure for its meetings, which shall be consistent with the articles of incorporation, by-laws and corporate governance guidelines of the Company, any applicable law and regulation and this Charter. The Committee will have no less than four regularly scheduled meetings each fiscal year. Such meetings are to occur to oversee the preparation and review the year end audited financial statements and the reviewed financial statements of each of the first three quarters of the Company's fiscal year. The Committee shall also attend periodic meetings with Management and the Auditor to review and discuss such financial statements. In addition, the Committee will meet at other times if deemed necessary to

completely discharge its duties and responsibilities as outlined in this charter. The Chairperson or a majority of the members of the Committee may call a special meeting of the Committee. In addition, the Committee shall regularly report its activities to the Board.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum for the transaction of business. The agenda of each Committee meeting shall be established by the Chairperson with the assistance of appropriate members of Management. Each Committee member may propose the inclusion of items on the agenda. Each Committee member may raise at any Committee meeting subjects that are not on the agenda for that meeting.

### **III. Responsibilities**

#### **A. Selection and Oversight of Auditors**

The Committee shall be directly responsible for the appointment, compensation, termination, retention and oversight of the Auditor. In connection with this responsibility:

- The Committee will receive annually a written communication from the Auditor delineating all their relationships with and proposed professional services to the Company. The Committee will review all non-audit services proposed to be provided by the Auditor including tax services, and to the extent such proposed services are not prohibited by any applicable law or regulation approve or disapprove these services. The Committee shall review with the Auditor the nature and scope of any other disclosed relationships and take appropriate action to assure the continuing independence of the Auditor.
- In connection with the investigation of the Auditor's qualification, the Committee will receive and review, at least annually, reports from the Auditor regarding (i) the Auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review or peer review of such firm, or by any inquiry or investigation by any governmental or professional authorities within the preceding five (5) years respecting any independent audits carried out by such firm and any steps taken to deal with any such issues; and (iii) the Auditor's independence and all relationships between the Auditor and the Company.
- The Committee shall review the qualifications and performance of the Auditor and the lead partner of the Auditor's team and make certain that the lead partner is rotated every five years.
- The Committee shall review and approve, as appropriate, the compensation of the Auditor and the fees included in the Committee's budget.

#### **B. Oversight of Financial Statements**

The Committee shall have oversight over all financial statements and related matters and address any disagreements between Management and the Auditor. In connection with these responsibilities:

- Prior to the Audit, the Committee will meet with the Auditor and financial management of the Company to review the scope of the proposed audit and the procedures to be utilized.
- As an integral part of the audit, the Committee shall:
  - Receive reports from the Auditor with respect to:
    - (a) The critical accounting policies and practices of the Company;
    - (b) Any discussions with Management concerning alternative accounting methods under generally accepted accounting principles including the consequences of each alternative and the method preferred by the Auditor.
  - The above report should be accompanied by all management letters and other written communications between the Auditor and Management.
  - Meet separately with the Auditor, in the absence of Management, to discuss the Audit and any other issues deemed relevant by the Committee, including, but not limited to, significant audit issues or concerns and Management's response thereto.
  - Review Management's report on its assessment of the effectiveness of internal control over financial reporting and the Auditor's report on (i) Management's assessment and (ii) the effectiveness of internal control over financial reporting.
  - Discuss with Management, the internal auditors and the Auditor Management's process for assessing the effectiveness of the Company's internal control over financial reporting, including any significant deficiencies or material weaknesses identified.
  - Discuss with the Auditor the characterization of deficiencies in internal control over financial reporting and any differences between Management's assessment of the deficiencies and the Auditor's assessment. Discuss with Management its remediation plan to address internal control deficiencies. Determine that the disclosures describing any identified material weaknesses and Management's remediation plans are clear and complete.
  - Review reports from Company counsel relating to legal and regulatory matters that have a material effect on the financial statements.
  - Review with the Auditor any audit problems or difficulties and Management's response.
  - Review with the Auditor material auditing and accounting issues on which the Auditor consulted its national office.
  - Meet with financial management and the Auditor to review (i) significant reporting issues and practices, including changes in, or adoption of accounting principles and disclosure practices, and (ii) their judgments

about the quality and the clarity of the financial disclosure and the degree of aggressiveness or conservatism of the Company's accounting principles and significant decisions and estimates made in preparing the financial statements.

The Committee will report the results of the annual audit to the Board.

The Committee will also review all disclosures in periodic reports filed with the Commission relating to the financial statements including "Management Discussion and Analysis of Financial Condition and Results of Operations."

The Committee shall also meet to review and discuss the quarterly financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, with Management and the Auditor prior to the filing of the Company's Quarterly Reports on Form 10-Q. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the Auditor under the standards of the Public Company Accounting Oversight Board.

#### **C. Complaint Procedures**

The Committee will review the procedures established by the Company for complaints concerning accounting, internal controls or auditing matters, as well as confidential, anonymous submission by employees of the Company regarding accounting or auditing matters. The Committee will also review the Company's process of communicating such procedures to its employees.

#### **D. Oversight of the Internal Audit Function**

The Committee shall review the appointment of the person in charge of the internal audit function. It should also meet separately and periodically with the person in charge of the internal audit function, Management and the Auditor as appropriate, reviewing the adequacy, budget and staffing of the internal audit function.

All reports prepared by internal audit and Management relating to the internal audit shall be reviewed by the Committee.

#### **E. Other Responsibilities**

The Committee will also:

- Prepare any report or other disclosure relating to the Committee required by the Commission and the New York Stock Exchange to be set forth in the proxy statement for the Company's annual meeting of shareholders.
- Review all proposed related party transactions, and approve such transactions or request review and approval by the full Board.
- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- Set clear policies for the Company's hiring of employees or former employees of the Auditor who participated in any capacity in an audit of the Company.

- Discuss with Management earnings press releases, as well as financial information and earnings guidance to be provided to analysts and rating agencies.
- Review with Management and the Auditor the Company's risk assessment and risk management practices and discuss policies with respect to risk assessment and risk management.
- Oversee the Company's risk policies and processes relating to financial statements, financial systems, financial reporting processes, compliance and auditing, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- Review and reassess annually the performance of the Committee.
- Assess and exercise oversight concerning the Koppers Ethics and Compliance Program and approve and adopt a Code of Conduct for Directors, officers and employees. In order to assist the Committee in fulfilling this responsibility, the Company's Compliance Director shall report to the Committee, no less than biennially, on the implementation and effectiveness of the Ethics and Compliance Program. The Compliance Director is expressly authorized to communicate personally to the Committee promptly on any matter involving criminal conduct or potential criminal conduct.
- Perform such other responsibilities as may be delegated to it by the Board or as set forth in the Company's corporate governance guidelines.

#### **F. Independence of Committee**

The Committee may interview and meet with any employee of the Company without the presence of any officer of the Company. The Committee will investigate any matter brought to its attention within the scope of its duties. The Committee will have authority to engage independent counsel or other outside advisors and experts as needed to advise it in the performance of its duties.

The Committee shall establish a budget to provide adequate funding from the Company to engage the Auditor, to engage independent counsel or other advisors for the purposes contained in this Charter and to cover the Committee's ordinary administrative expenses necessary to carry out its duties. If in its sole judgment, the Committee requires additional funds, these funds will be provided by the Company.

#### **G. Limitation of Committee Responsibility**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of Management and the Auditor.