

CHARTER OF THE AUDIT COMMITTEE OF  
THE BOARD OF DIRECTORS OF  
HUTTIG BUILDING PRODUCTS, INC.

I. PURPOSE

The primary purpose of the Audit Committee of the Board of Directors (the "Committee") is to assist the Board of Directors in its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the qualification and independence of the Company's independent auditor, and the performance of the Company's internal audit function and independent auditors. The policies and procedures of the Committee shall remain flexible in order to best react to changing conditions. The specific duties and responsibilities of the Committee are set forth in this Charter. The duties of the Committee are ones of oversight and supervision; it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. The fundamental responsibility for the Company's financial statements and disclosure rests with management. The responsibility for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements is that of the independent auditors.

II. COMPOSITION AND AUTHORITY OF THE COMMITTEE

The Committee shall be comprised of at least three members of the Board of Directors, with the number of members to be determined from time to time by the Board. The members shall be designated by the Board of Directors, and each of them shall be independent directors as that term is defined by the rules of the New York Stock Exchange and applicable law, including the Sarbanes-Oxley Act of 2002 and the rules of the Securities and Exchange Commission.

Each member of the Committee must be financially literate, as determined by the Board of Directors, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. One member of the Committee must have accounting or related financial management expertise, as determined by the Board of Directors. No member of the Committee may serve on the audit committee of more than two other public companies while he or she is serving on the Committee.

Unless the Board has previously designated the Chair, the members of the Committee may designate a Chair by majority vote.

The Committee shall have the authority, acting without further approval of the Board of Directors, to engage, at the expense of the Company, independent counsel and accounting or other advisors to advise the Committee as it determines appropriate to assist in the full performance of its functions. In this regard, the Committee shall have the authority to determine appropriate funding for payment of compensation of such independent counsel and accounting and other advisors and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

III. MEETINGS

The Committee shall meet at least quarterly (four (4) times annually), or more frequently as the Committee may from time to time determine is appropriate. The Committee shall meet periodically with management, the Vice President - Internal Audit and the independent auditors in separate executive sessions (in no event less than once per

year). The Committee may request any officer or employee of the Company, the Company's outside counsel, or the Company's independent auditor to attend any meeting of the Committee (except in those meetings designed to qualify as "executive sessions" in which meetings no members of management shall be present), or to meet with any members of, or consultants to, the Committee.

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.

#### IV. DUTIES AND RESPONSIBILITIES

##### A. Independent Auditors

The Committee shall have responsibility to directly appoint, retain, compensate, evaluate and terminate the Company's independent auditor. In this regard, the independent auditor shall report directly to the Committee and the Committee shall have the sole authority to approve all audit engagement fees and terms, as well as all non-audit engagements with the independent auditors. The Committee shall be directly responsible for the oversight of the independent auditors, including ensuring resolution of disagreements between management and the independent auditor and pre-approval of all audit and permitted non-audit services. Approval of audit and permitted non-audit services may also be made by the Chair of the Committee and, if any such approval is granted, the Chair shall report such approval to the Committee at the next scheduled meeting. The Committee may adopt policies and procedures from time to time to facilitate the discharge of the above duties.

At least annually, the Committee must obtain and review a report by the Company's independent auditor describing the auditor's internal quality control procedures, any material issues raised by the most recent internal quality control review or peer review of the auditor (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 auditor) and any steps taken to deal with any such issues, and, to assess the auditor's independence, all relationships between the independent auditor and the Company. The purpose of reviewing the report is to permit the Committee to evaluate the auditor's qualifications, performance and independence. The evaluation will include an evaluation of the lead partner of the independent auditor. The Committee will present its conclusions with respect to the independent auditor to the full Board.

The Committee will meet periodically with the independent auditor separately from management. The Committee will review with the independent auditor any audit problems or difficulties and management's response.

The Committee will set clear hiring policies for employees or former employees of the independent auditor.

##### B. Review of Financial Statements and Related Disclosures

In carrying out its responsibilities with respect to the Company's financial statements and disclosure matters, the Committee, shall:

1. Review and discuss, prior to filing, the annual audited financial statements and quarterly financial statements with management and the

independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".

2. Recommend to the Board of Directors, based on the Committee's review, whether the audited financial statements should be included in the Company's annual report on Form 10-K.
3. Obtain annually from the independent auditor a report of all critical accounting policies and practices, all alternative treatments of financial information that have been discussed and the ramifications of such alternate treatments, including the treatment preferred by the independent auditor, and all material communications between the independent auditor and management.
4. Review and discuss earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee's responsibility to discuss earnings releases as well as financial information and earnings guidance may be done generally – i.e., discussions of types of information to be disclosed and the type of presentation to be made. The Committee need not discuss in advance each earnings release or each instance in which the Company might provide earnings guidance.
5. Periodically discuss with management and the independent auditor the effect of regulatory and accounting developments as well as off balance sheet structures on the Company's financial statements.
6. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including the management letter provided by the independent auditor and the Company's response to that letter, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

C. Internal Audit Function

The Company shall maintain an internal audit function. The Committee shall review the internal audit function and meet separately with the Vice President, Internal Audit from time to time.

D. Compliance Oversight and Other Matters

In connection with its compliance and other oversight responsibility, the Committee shall:

1. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
2. Review all related party transactions and potential conflict of interest situations involving members of the Board of Directors or senior management.

3. Review any charitable contribution in excess of \$10,000.
4. Obtain from the Company's independent auditor assurance that it is not aware of any circumstances that would require reporting under Section 10A of the Securities Exchange Act of 1934.
5. Prepare the report of the Audit Committee required by the proxy rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
6. Review with the Chief Executive Officer and the Chief Financial Officer the Company's disclosure controls and procedures and, at least quarterly, management's conclusions about the efficacy of such disclosure controls and procedures, including any deficiencies in or material non-compliance with, such controls and procedures.
7. Discuss policies with respect to risk assessment and risk management. (While it is the job of the CEO and senior management to assess and manage the Company's exposure to risk, the Committee must discuss guidelines and policies to govern the process by which this is handled. The Committee should discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.)
8. Report regularly to the Board of Directors.
9. Review and assess the Charter of this Committee at least annually and recommend any proposed changes to the Board of Directors for approval.
10. Review and evaluate, at least annually, the Committee's own performance.

**Adopted January 24, 2006**