



LCI INDUSTRIES

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LCI Industries  
Audit Committee  
Key Practices

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### AUDIT COMMITTEE KEY PRACTICES

The Audit Committee has adopted the following key practices to assist it in undertaking the functions and responsibilities set forth in its Charter:

1. **Meetings.** The Committee will meet at least five times a year. Meetings may be in person or telephonic.

2. **Review of Periodic Reports.** The Committee will review the Company's 10-K with the Chief Executive Officer and Chief Financial Officer, and a draft of the 10-K will be forwarded to the full Board for review and approval. These reviews will include the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section in the periodic reports. The Committee will meet quarterly to review the Company's 10-Qs with the CEO and CFO. The director of internal audit and the Company's independent auditor will be present at these meetings.

3. **Quarterly Review of CEO and CFO Certification Process.** In conjunction with its reviews of the 10-Ks and 10-Qs, the Committee will also review the process for the CEO and CFO quarterly certifications required by the Securities and Exchange Commission with respect to the financial statements and the Company's disclosure controls and procedures and internal controls over financial reporting, including any material weaknesses or significant deficiencies in such controls. Whenever the Committee deems necessary, the Committee shall be afforded the opportunity to meet with the Disclosure Committee responsible for reviewing the Company's disclosure controls and procedures, as well as the officers responsible for the Company's risk assessment and risk management policies.

4. **Review of Earnings Releases and Information Provided to Analysts and Rating Agencies.** The CEO, President or CFO shall circulate earnings releases to all members of the Committee prior to their release to the public. Prior to the event, the CEO, President or the CFO shall review with the Committee, or the Board, the substance of any presentations to analysts or rating agencies which constitute a change in Company strategy or outlook. In addition, the CEO, President or CFO shall review subsequently with the Committee, or the Board, a summary of major presentations that have been given to analysts or rating agencies that do not constitute a change in strategy or outlook.

5. **Approval of Audit and Non-Audit Services.** In addition to approving the engagement of the independent auditor to audit the Company's consolidated financial statements, the Committee, or the chair of the Committee, will approve the use of the Company's independent auditor for permitted non-audit services and the related fees, prior to any such engagement. The Audit Committee will consider all non-audit services and related fees when assessing auditor independence. To minimize relationships which could appear to impair the objectivity of the independent auditor, it is the Committee's practice to restrict the non-audit services that may be

provided to the Company, or its subsidiaries, by the Company's independent auditor primarily to tax, merger and acquisition due diligence and integration services. Pre-approval fee levels for each category of non-audit services to be provided by the independent auditor will be established by the Audit Committee. Any proposed services exceeding these levels will require specific re-approval by the Audit Committee. The Committee will obtain from management a periodic report that all approved engagements for non-audit services have been done so in accordance with the pre-approval levels established by the Committee. Any decisions by the chair of the Committee to pre-approve any audit or permitted non-audit services shall be presented to the full Committee at its next scheduled meeting.

**6. Hiring Guidelines for Independent Auditor Employees.** The Committee has adopted the following practices regarding the hiring by the Company, or its subsidiaries, of any partner, director, manager, staff, advising member of the department of professional practice, reviewing actuary, reviewing tax professional and any other persons having responsibility for providing audit assurance to the Company's independent auditor on any aspect of their certification of the Company's financial statements. "Audit assurance" includes all work that results in the expression of an opinion on financial statements.

- a) No former employee of the Company's independent auditor shall be hired by the Company or its subsidiaries, except in compliance with the rules and regulations adopted by the New York Stock Exchange and the Securities and Exchange Commission.
- b) The Company's CFO must approve all executive hires from the independent auditor.
- c) To the extent there is any hiring, the Company's CFO shall report annually to the Audit Committee the profile of the preceding year's hires from the independent auditor.

**7. Process for Handling Complaints about Accounting Matters.** The Committee has established the following procedures for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

- a) The Company and its operating subsidiaries will establish and publish on its website and in their employee handbooks special mail and e-mail addresses and a toll-free telephone number for receiving complaints regarding accounting, internal accounting controls, or auditing matters.
- b) Copies of all such complaints that could materially affect financial reporting and controls will be sent directly to the chair of the Audit Committee.

- c) All such complaints will be tracked by the Audit Committee, but handled by the Company's Chief Legal Officer or the subsidiaries' legal staff, except as the Audit Committee may request.
- d) The status of the complaints will be reported on a quarterly basis, or more often if required, to the Committee and, if the Committee so directs, to the Board.
- e) The Committee may retain outside counsel or other advisors, at the Company's expense, for any complaint addressed to it.

The Company has adopted a Whistleblower Policy to establish policies and procedures for the reporting of complaints by directors, officers, employees, and other stakeholders of the Company, on a confidential and anonymous basis, regarding questionable accounting or auditing matters, internal controls, illegal practices, or violations of adopted policies of the Company. The Whistleblower Policy and procedure for complaints is on the Company's website at [www.lci1.com/investors](http://www.lci1.com/investors) under Corporate Governance - Governance Documents - Whistleblower Policy.

The Company's Guidelines for Business Conduct prohibit any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

**8. Audit Committee Memberships.** The Committee has determined that in view of the increasing demands and responsibilities of the audit committee, members of the Committee who are not CEO's of other companies should not serve on more than three other audit committees of public companies, and the Chair of the Committee should not serve on more than two other audit committees of public companies. Independent Directors who serve as CEO's of other public companies, should not serve on more than one additional audit committee of a public company. Existing relationships exceeding these limits may continue in place provided that the Board determines that such relationships do not impair the member's ability to serve effectively on the Committee.

**9. Code of Ethics for Senior Financial Officers.** The Company's Guidelines for Business Conduct apply to the Company's Directors, CEO, President and CFO, and all management employees of the Company and its subsidiaries. The Company's Code of Ethics for Senior Financial Officers require the CEO, President, CFO and other financial officers of the Company and its subsidiaries to resolve ethically any actual or apparent conflicts of interest, and to comply with all accounting principles generally accepted in the United States of America, laws and regulations designed to produce full, fair, accurate, timely, and understandable disclosure in the Company's periodic reports filed with the SEC. Annual acknowledgement of the Guidelines and this Code is required.

**10. Conflict of Interest Review.** The Committee will review at least once a year any conflicts of interest identified by the Chief Legal Officer from information in the annual questionnaire furnished by Directors and Officers.

**11. Member with Financial Expertise.** At least one member of the Board and the Committee shall be an Audit Committee Financial Expert as defined by the Securities and Exchange Commission.

**12. Audit Partner Rotation.** The Committee shall ensure that the lead audit and concurring review partners assigned by the Company's independent auditor to the Company or its subsidiaries shall be changed at least every five years, and the Committee shall be involved in the selection of the lead partner.

**13. Stockholder Ratification of Independent Auditor.** Although the Committee has the sole authority to appoint the independent auditor, the Committee will continue its longstanding practice of recommending that the Board request the stockholders, at their annual meeting, to approve the Committee's selection of independent auditor.

**14. Risk Oversight.** At least once a year, the Committee will review and discuss with the Chief Legal Officer regulatory, compliance and litigation risks facing the Company. The Committee shall also review and discuss with management and functional leaders areas that relate to the financial statements, financial systems, auditing and the financial reporting process, including information technology controllership risk, tax policies and strategies, and significant accounting judgments.