

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 21, 2020

TREX COMPANY, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-14649
(Commission
File Number)

54-1910453
(IRS Employer
Identification No.)

160 Exeter Drive
Winchester, Virginia
(Address of Principal Executive Offices)

22603-8605
(ZIP Code)

(540) 542-6300
Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	TREX	New York Stock Exchange LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Item 1.01 Entry Into a Material Definitive Agreement

The disclosure set forth in Item 5.02 below with regard to the following agreements is incorporated herein by reference:

1. Change-in-Control Severance Agreement, dated as of February 21, 2020, between Trex Company, Inc. (the “Company”) and Bryan H. Fairbanks (the “Change-in-Control Severance Agreement”);
2. Severance Agreement, dated as of February 21, 2020, between the Company and Bryan H. Fairbanks (the “Severance Agreement”); and
3. Amended and Restated 1999 Incentive Plan for Outside Directors.

Item 1.02 Termination of a Material Definitive Agreement

Effective February 21, 2020, Mr. Fairbanks’ change-in-control severance agreement dated May 6, 2015 and Mr. Fairbanks’ severance agreement dated July 24, 2019 were terminated and replaced by his Change-in-Control Severance Agreement and Severance Agreement.

The disclosure set forth in Item 5.02 below with regard to the change-in-control severance agreement dated May 6, 2015 and Mr. Fairbanks’ severance agreement dated July 24, 2019 is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Retirement of James E. Cline as President and Chief Executive Officer effective April 29, 2020

On February 21, 2020, the Board of Directors accepted the retirement of James E. Cline as President and Chief Executive Officer of the Company, effective April 29, 2020.

Appointment of Bryan H. Fairbanks as President and Chief Executive Officer, and as a Director

On February 21, 2020, the Board of Directors appointed Bryan H. Fairbanks, the Company’s Executive Vice President and Chief Financial Officer, to serve as the Company’s President and Chief Executive Officer, to be effective on April 29, 2020 upon Mr. Cline’s retirement. Effective April 29, 2020, Mr. Fairbanks will also be appointed to the Company’s Board of Directors, and the size of the Board will be increased from eight members to nine members.

Mr. Fairbanks has served as Executive Vice President and Chief Financial Officer of the Company since July 2018. From August 2015 to July 2018, Mr. Fairbanks served as Vice President and Chief Financial Officer. From March 2006 to August 2015, he served as Senior Director, Supply Chain, and from September 2012 to August 2015, he concurrently served as Executive Director, International Business Development. From May 2004 to March 2006, he served as Director, Financial Planning and Analysis. From August 1994 to May 2004, Mr. Fairbanks served in numerous senior finance roles with the Ford Motor Company. Mr. Fairbanks received a B.S. degree in accounting from the University of Dayton and an M.B.A. degree from the University of Pittsburgh.

Effective upon his becoming President and Chief Executive Officer, Mr. Fairbanks will receive an annual base salary of \$546,000, and will continue to be a participant in the Company’s Annual Cash Incentive Compensation Program and Long-Term Equity Incentive Compensation Program. Mr. Fairbanks’ target award under the Annual Cash Incentive Compensation Program shall be 100% of his annual base salary, and his target award under the Long-Term Equity Incentive Compensation Program shall be 200% of his annual base salary. The Annual Cash Incentive Compensation Program and Long-Term Equity Incentive Compensation Program are further described in the Company’s 2019 Proxy Statement, which is incorporated herein by reference.

Mr. Fairbanks has entered into the Change-in-Control Severance Agreement. Under this Agreement, if, within the period beginning 90 days before and ending two years after a change in control of the Company (as defined in the agreement), Mr. Fairbanks' employment is terminated by the Company (other than for cause or by reason of death or disability) or if he terminates his employment for "good reason," Mr. Fairbanks will be entitled to receive severance benefits:

For this purpose, "cause" and "good reason" are defined as follows:

- "Cause" includes events specified in the change-in-control severance agreement, including Mr. Fairbanks' willful or grossly negligent misconduct that is materially injurious to the Company, embezzlement or misappropriation of funds or property of the Company, conviction of a felony or any crime involving fraud, dishonesty, moral turpitude or breach of trust, or willful failure or refusal to devote full business time and attention to the performance of duties.
- "Good reason" includes events specified in the change-in-control severance agreement, including a material and adverse change in Mr. Fairbanks' status or position with the Company, a 10% or greater reduction in his aggregate base salary and targeted annual incentive other than as part of general reduction in executive compensation, the failure by the Company or any successor to continue in effect any employee benefit plan in which he is participating other than as a result of normal expiration of such plan in accordance with its terms, or the relocation of his office more than 50 miles from the current office and further than his then-current residence.

Upon such termination, Mr. Fairbanks would receive:

- a lump-sum cash payment equal to the sum of (1) his accrued base salary and accrued vacation pay plus (2) if not previously paid, his annual cash incentive earned for the preceding fiscal year plus (3) his targeted annual cash incentive for the year in which the severance occurs, pro-rated based upon the number of days he was employed during such year;
- a lump sum severance payment of 2.99 times (1) his annual base salary (in effect immediately prior to the change in control or termination, whichever is greater), plus (2) the greater of (a) his target annual cash incentive for the year immediately prior to the year in which the change of control occurs, (b) his target annual cash incentive for the year of termination of employment, or (c) his actual annual cash incentive for the last fiscal year immediately prior to termination of employment;
- continuation of group health and dental insurance, and group life insurance, on the same terms and conditions as though he had remained an active employee, for the longer of 18 months or until coverage is obtained from a new employer.

Notwithstanding the foregoing, the change in control severance agreement provides that, to the extent necessary to avoid imposition of the excise tax under Section 4999 of the Internal Revenue Code in connection with a change in control, the amounts payable or benefits to be provided to Mr. Fairbanks shall be reduced such that the reduction of compensation to be provided to Mr. Fairbanks is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Internal Revenue Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis (but not below zero).

If a change of control occurs during the term of the change-in-control severance agreement, all unvested outstanding long-term incentive awards, including, but not limited to, stock options, stock appreciation rights, restricted shares, and performance shares (at the 100% targeted payment level) (whether or not there is a loss of employment) will become fully vested.

A change in control is generally defined as (1) the acquisition by any person or entity of 35% of the Company's outstanding stock, (2) a merger where the stockholders of the Company immediately prior to the merger would not own at least 50% of the outstanding stock of the Company after such merger, (3) a sale of all or substantially all of the assets of the Company, or (4) during any two-year period, the directors in office at the beginning of such period ceasing to be a majority of the board, unless the nomination of each new director during such period was approved by at least two-thirds of the directors in office at the beginning of such period.

Mr. Fairbanks has also entered into the Severance Agreement providing for the payment of severance compensation and benefits to him if the Company terminates his employment without “cause” or if he resigns for “good reason.” For this purpose, “cause” and “good reason” are defined in the same manner as in the change-in-control severance agreement discussed above. Upon such a termination, Mr. Fairbanks will be entitled to receive the following:

- a lump-sum cash payment equal to the sum of (1) his accrued base salary and accrued vacation pay plus (2) if not previously paid, his annual cash incentive earned for the preceding fiscal year;
- a lump-sum cash payment equal to 2 times the sum of (1) his base salary then in effect, plus (2) an amount equal to the greater of (a) his targeted annual cash incentive for the year immediately prior to the year in which his employment terminates, or (b) his actual annual cash incentive earned for the preceding year;
- continued health and dental plan benefits on the same terms and conditions as though he had remained an active employee (or payment of the necessary amount to obtain equivalent coverage if Company coverage is not possible), for the shorter of 12 months or until equivalent coverage is obtained from a new employer; and
- accelerated vesting of all outstanding long-term incentive awards, including stock options, stock appreciation rights, restricted shares and performance shares (at the targeted payment level), with any stock options or stock appreciation rights being exercisable for a period ending on the earlier of 90 days after termination of employment or the expiration of the term of such grant.

If Mr. Fairbanks’ employment is terminated during a change-in-control protection period (which begins 90 days before a change-in-control occurs and ends 2 years thereafter) under his Change-in-Control Severance Agreement, described above, he will be entitled to receive the severance payments specified under that Agreement instead of the foregoing payments under his Severance Agreement.

Mr. Fairbanks is not entitled to any additional severance payments or benefits under his Severance Agreement if his employment is terminated by the Company for cause, by him without good reason, or if it terminates due to his death or disability.

The term of the Severance Agreement ends on August 23, 2023.

Mr. Fairbanks’ Change-in-Control Severance Agreement and Severance Agreement replace in their entireties Mr. Fairbanks’ change-in-control severance agreement dated May 6, 2015 and Mr. Fairbanks’ severance agreement dated July 24, 2019, respectively.

The foregoing descriptions of the Change-in-Control Severance Agreement and Severance Agreement are qualified in their entirety by reference to the Agreements, copies of which are filed as Exhibits 10.2 and 10.3 to this report and incorporated herein by reference.

Appointment of James E. Cline as Chairman of the Board and Ronald W. Kaplan as Vice Chairman of the Board

On February 21, 2020, the Board of Directors amended the 1999 Incentive Plan for Outside Directors (the “Plan”) to provide for an annual payment to the Vice Chairman of the Board of \$50,000, in addition to other compensation provided to outside directors, and approved an Amended and Restated Plan. The foregoing description is qualified in its entirety by reference to the Amended and Restated Plan, a copy of which is filed as Exhibit 10.1 to this report and incorporated herein by reference.

On February 21, 2020, the Board of Directors appointed Mr. Cline as Chairman of the Board, and Ronald W. Kaplan, the Company's current Chairman of the Board, as Vice Chairman of the Board, to be effective April 29, 2020.

For service on the Board, Mr. Cline will receive an annual cash fee equal to \$65,000 (similar to each non-employee director) and an additional \$80,000 annually for service as Chairman of the Board, each payment prorated for the partial period served.

For service on the Board, Mr. Kaplan will receive an annual cash fee equal to \$65,000 (similar to each non-employee director) and an additional \$50,000 annually for service as Vice Chairman of the Board, with each payment prorated for the partial period served.

Mr. Cline and Mr. Kaplan will each receive an annual award of options, SARs, restricted shares, restricted stock units or any combination thereof (as determined by the Nominating/Corporate Governance Committee) (similar to each non-employee director) valued at \$100,000, prorated for the partial period served. Currently, such awards are paid in the form of restricted stock units. All grants of restricted stock units vest one year after grant provided that the grants will immediately vest in the event of death, disability, retirement, or termination in connection with a change in control.

Item 9.01 Financial Statements and Exhibits.

(d) Trex Company, Inc. herewith files the following exhibits:

Exhibit Number	Description of Exhibit
10.1	Amended and Restated 1999 Incentive Plan for Outside Directors. Filed Herewith.
10.2	Change-in-Control Severance Agreement, dated as of February 21, 2020, between Trex Company, Inc. and Bryan H. Fairbanks. Filed Herewith.
10.3	Severance Agreement, dated as of February 21, 2020, between Trex Company, Inc. and Bryan H. Fairbanks. Filed Herewith.
104	Cover Page Interactive Data File (the Cover Page Interactive Data File is embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 24, 2020

TREX COMPANY, INC.

/s/ William R. Gupp

William R. Gupp

Senior Vice President, General Counsel & Secretary

TREX COMPANY, INC.

**AMENDED AND RESTATED
1999 INCENTIVE PLAN FOR OUTSIDE DIRECTORS**

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1. DEFINITIONS

To the extent any capitalized words used in this Plan are not defined, they shall have the definitions stated for them in the Trex Company, Inc. 2014 Stock Incentive Plan.

- 1.1 "Annual Director Fee" means an annual fee earned by an Eligible Director for service on the Board of Directors.
- 1.2 "Annual Committee Fee" means an annual fee earned by an Eligible Director for service on various committees of the Board of Directors.
- 1.3 "Board of Directors" or "Board" means the Board of Directors of the Company.
- 1.4 "Cash Portion of the Annual Director Fee" means the portion of the Annual Director Fee to be received in cash, or if elected by the Eligible Director, in Equity, as provided in Sections 4.3 and 6 hereof.
- 1.5 "Committee" means the Nominating/Corporate Governance Committee which administers the Plan.
- 1.6 "Common Stock" means the common stock, par value \$0.01 per share, of the Company.
- 1.7 "Company" means Trex Company, Inc., a Delaware corporation, or any successor thereto.
- 1.8 "Election Form" means the form used by an Eligible Director to elect to receive all or a portion of the Cash Portion of the Annual Director Fee and the Annual Committee Fee for a Plan Year in the form of Equity.
- 1.9 "Eligible Director" for each Plan Year means a member of the Board of Directors who is not an employee of the Company or any Subsidiary.
- 1.10 "Equity" means Options, Restricted Stock, Restricted Stock Units or SARs, or any combination thereof, as designated by the Committee from time to time, as provided in Section 4.6.
- 1.11 "Equity Portion of the Annual Director Fee" means the portion of the Annual Director Fee to be received in Equity, as provided in Section 4.1.2 hereof.
- 1.12 "Fair Market Value" means the closing price of a share of Common Stock reported on the New York Stock Exchange (the "NYSE") on the date Fair Market Value is being determined, provided that if there is no closing price reported on such date, the Fair Market Value of a share of Common Stock on such date shall be deemed equal to the closing price as reported by the NYSE for the last preceding date on which sales of shares of Common Stock were reported. Notwithstanding the foregoing, in the event that the

shares of Common Stock are listed upon more than one established stock exchange, “Fair Market Value” means the closing price of the shares of Common Stock reported on the exchange that trades the largest volume of shares of Common Stock on the date Fair Market Value is being determined. If the Common Stock is not at the time listed or admitted to trading on a stock exchange, Fair Market Value means the mean between the lowest reported bid price and highest reported asked price of the Common Stock on the date in question in the over-the-counter market, as such prices are reported in a publication of general circulation selected by the Board and regularly reporting the market price of Common Stock in such market. If the Common Stock is not listed or admitted to trading on any stock exchange or traded in the over-the-counter market, Fair Market Value shall be as determined in good faith by the Board.

1.13 “Grant Date” has the meaning set forth in Section 5 hereof.

1.14 “Option” means a non-qualified Option granted pursuant to the Trex Company, Inc. 2014 Stock Incentive Plan as may be amended from time to time.

1.15 “Option Agreement” means the written agreement between the Company and the Participant that evidences and sets out the terms and conditions of the Option.

1.16 “Option Price” means the purchase price for each share of Common Stock subject to an Option.

1.17 “Participant” for any Plan Year means an Eligible Director who participates in the Plan for that Plan Year in accordance with Section 6.1 hereof.

1.18 “Plan” means the Trex Company, Inc. Amended and Restated 1999 Incentive Plan for Outside Directors as set forth herein and as amended from time to time.

1.19 “Plan Year” means the twelve-month period beginning on July 1 and ending on June 30.

1.20 “Restricted Stock” means shares of Common Stock, issued pursuant to the Trex Company, Inc. 2014 Stock Incentive Plan as may be amended from time to time.

1.21 “Restricted Stock Agreement” means the written agreement between the Company and the Participant that evidences and sets out the terms and conditions of the Restricted Stock.

1.22 “Restricted Stock Unit” means restricted stock units issued pursuant to the Trex Company, Inc. 2014 Stock Incentive Plan as may be amended from time to time.

1.23 “Restricted Stock Unit Agreement” means the written agreement between the Company and the Participant that evidences and sets out the terms and conditions of the Restricted Stock Unit.

1.24 “SAR Agreement” means the written agreement between the Company and the Participant that evidences and sets out the terms and conditions of the SARs.

1.25 “Stock Appreciation Right” or “SAR” means a right granted pursuant to, and in accordance with the terms of, the Trex Company, Inc. 2014 Stock Incentive Plan to receive, upon exercise thereof, the excess of (x) the Fair Market Value of one share of Common Stock on the date of exercise over (y) the grant price of the SAR, determined pursuant to Section 4.6.2 hereof.

1.26 “SAR Price” means the grant price of the SAR.

1.27 “Subsidiary” means any “subsidiary corporation” of the Company within the meaning of Section 424(f) of the Internal Revenue Code of 1986, as amended.

2. PURPOSE

The purpose of the Plan is to compensate Eligible Directors for service on the Board of Directors and various committees of the Board, and to provide an incentive for Eligible Directors to increase their equity holdings in the Company so that the financial interests of the Eligible Directors shall be more closely aligned with the financial interests of the Company’s stockholders.

3. SHARES SUBJECT TO THE PLAN

The shares of Common Stock issuable under the Plan shall be issued pursuant to the Trex Company, Inc. 2014 Stock Incentive Plan.

4. ANNUAL DIRECTOR AND COMMITTEE FEES

4.1 Annual Director Fee

Each Eligible Director shall be entitled to an Annual Director Fee, which may be adjusted by the Board from time to time, as follows:

4.1.1 Cash Portion of the Annual Director Fee. Each Eligible Director shall receive the amount of sixty five thousand dollars (\$65,000) (the “Cash Portion of the Annual Director Fee”). The Cash Portion of the Annual Director Fee (after reduction pursuant to Section 4.3 hereof, if any) shall be paid to an Eligible Director in four equal quarterly installments in arrears on the first business day following the end of each quarter of the Plan Year in which the Eligible Director provided services to the Company. Notwithstanding the foregoing, (a) any Eligible Director who serves as Chairman of the Board shall receive the amount of eighty thousand dollars (\$80,000) in addition to the \$65,000 payment referred to above, (b) any Eligible Director who serves as Vice Chairman of the Board shall receive the amount of fifty thousand dollars (\$50,000) in addition to the \$65,000 payment referred to above, and (c) any Eligible Director that serves as Lead Independent Director shall receive the amount of twenty thousand dollars (\$20,000) in addition to the \$65,000 payment referred to above, with all other provisions of this subsection being applicable to such Eligible Director(s).

4.1.2 Equity Portion of the Annual Director Fee. Each Eligible Director shall receive Equity valued at one hundred thousand dollars (\$100,000) (the "Equity Portion of the Annual Director Fee"). The Equity Portion of the Annual Director Fee shall be paid in arrears as provided in Section 5 below.

4.2 Annual Committee Fee

Each Eligible Director shall be entitled to an Annual Committee Fee, which may be adjusted by the Board from time to time, as follows (a) seventeen thousand five hundred dollars (\$17,500) for the Audit Committee Chairman, (b) eight thousand seven hundred and fifty dollars (\$8,750) for each Audit Committee member (other than the Chairman), (c) fifteen thousand dollars (\$15,000) for the Compensation Committee Chairman, (d) seven thousand five hundred dollars (\$7,500) for each Compensation Committee member (other than the Chairman), (e) twelve thousand five hundred dollars (\$12,500) for the Nominating/Corporate Governance Committee Chairman, and (f) six thousand two hundred and fifty dollars (\$6,250) for each Nominating/Corporate Governance Committee member (other than the Chairman). The Annual Committee Fee shall be paid to an Eligible Director in four equal quarterly installments in arrears on the first business day following each quarter of the Plan Year in which the Eligible Director served on the applicable committee(s).

4.3 Election

Pursuant to Section 6 hereof, an Eligible Director may elect to receive all or a portion of the Cash Portion of the Annual Director Fee and the Annual Committee Fee in the form of Equity.

4.4 Proration

The Cash Portion of the Annual Director Fee, the Equity Portion of the Annual Director Fee and the Annual Committee Fee shall be prorated for any partial periods served.

4.5 Initial Grant upon Election to Board

Upon initial election to the Board (but not subsequent re-elections), each Eligible Director shall receive Equity valued at fifty five thousand dollars (\$55,000).

4.6 Equity

4.6.1 Form of Equity. Whenever Equity is to be granted to Eligible Directors hereunder, the Committee shall, prior to such grant, determine whether such Equity shall be in the form of Options, Restricted Stock, Restricted Stock Units or SARs, or any combination thereof.

4.6.2 Options and SARs. If Options or SARs are granted, the number of Options or SARs granted shall be determined by dividing the dollar amount of the grant by the value of each Option or SAR on the Grant Date as determined pursuant to the methodology then in use by the Company's Finance Department to value Options and SARs granted pursuant to the Trex Company, Inc. 2014 Stock Incentive Plan. The Option Price or SAR Price of Common Stock covered by each SAR or Option, as the case may be, granted under the Plan shall be the Fair Market Value of such Common Stock on the Grant Date. Each Option or SAR, as the case may be, granted hereunder shall be exercisable in respect of 100 percent (100%) of the number of shares covered by the grant on the date of the grant of such Option or SAR. Any limitation on the exercise of an Option or SAR contained in any Option or SAR Agreement may be rescinded, modified or waived by the Committee, in its sole discretion, at any time and from time to time after the date of grant of such Option or SAR. The Option or SAR, as the case may be, shall be exercisable, in whole or in part, at any time and from time to time, prior to the termination of the Option or SAR; provided, that no single exercise of the Option or SAR shall be for less than 100 shares, unless the number of shares purchased is the total number at the time available for purchase under the Option or SAR. Each Option or SAR, as the case may be, granted under the Plan shall terminate, and all rights to purchase shares of Common Stock thereunder shall cease, upon the expiration of ten years (eleven years if the service of the Participant as a director of the Company shall terminate due to death in the tenth year of the Option or SAR term) from the date such Option or SAR is granted. Except as otherwise provided in the Option or SAR Agreement, upon the termination of service (a "Service Termination") of the Participant as a director of the Company for any reason, the Participant shall have the right, at any time within five years after the date of such Participant's Service Termination and prior to termination of the Option or SAR, to exercise any Option or SAR held by such Participant at the date of such Participant's Service Termination. After the termination of the Option or SAR, the Participant shall have no further right to purchase shares of Common Stock pursuant to such Option or SAR.

4.6.3 Restricted Stock and Restricted Stock Units. If Restricted Stock or Restricted Stock Units are granted, the number of shares of Restricted Stock or Restricted Stock Units shall be determined by dividing the dollar amount of the grant by the Fair Market Value of a share of Common Stock on the Grant Date. Except as otherwise provided in the Restricted Stock Agreement or Restricted Stock Unit Agreement, each share of Restricted Stock or each Restricted Stock Unit will vest on the first anniversary of the grant, provided that such Restricted Stock or Restricted Stock Unit has not been forfeited, as provided below. Except as otherwise provided in the Restricted Stock Agreement or Restricted Stock Unit Agreement, (a) in the event of a Service Termination of a Participant due to death, "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code), or retirement, any unvested Restricted Stock or Restricted Stock Units held by such Participant shall immediately vest, and (b) in the event of a Service Termination for any other reason, any unvested Restricted Stock or Restricted Stock Unit held by such Participant shall immediately be deemed forfeited.

5. GRANT DATE

The date of grant for the Equity Portion of the Annual Director Fee shall be the date of the first regularly scheduled Board of Directors' Meeting following the end of each Plan Year in which the Eligible Director provided services to the Company, and the date of grant for Equity

issued in lieu of the Cash Portion of the Annual Director Fee and the Annual Committee Fee, as provided in Section 8 hereof, shall be the date such Fees would otherwise be due (each of such dates being referred to as the "Grant Date").

6. ELECTION TO RECEIVE ADDITIONAL EQUITY

6.1 Election Form

A Participant who wishes to receive all or any portion of the Cash Portion of the Annual Director Fee and the Annual Committee Fee in the form of Equity shall file an Election Form with the Company, in the form and manner prescribed by the Committee. Filing of a completed Election Form will authorize the Company to issue Equity to the Participant in lieu of all or any portion of the Cash Portion of the Annual Director Fee and the Annual Committee Fee, in accordance with the Participant's instructions on the Election Form.

6.2 Time for Filing Election Form

An Election Form shall be completed and filed by each newly elected Eligible Director within thirty (30) days after the Participant's election to the Board, and elections under the Plan made by a newly elected Eligible Director shall apply to the Participant's Annual Director Fee and Annual Committee Fee for the remainder of the Plan Year and subsequent Plan Years unless and until a new Election Form is submitted by an Eligible Director to the Corporate Secretary. Notwithstanding the foregoing, a new Election Form may be submitted by each Eligible Director no more than once each Plan Year, and any new election shall not be effective until the start of the next calendar year.

7. ADMINISTRATION

7.1 Committee

The general administration of the Plan and the responsibility for carrying out its provisions shall be placed in the Nominating/Corporate Governance Committee.

7.2 Rules for Administration

Subject to the limitations of the Plan, the Committee may from time to time establish such rules and procedures for the administration and interpretation of the Plan and the transaction of its business as the Committee may deem necessary or appropriate. The determination of the Committee as to any disputed question relating to the administration and interpretation of the Plan shall be conclusive.

7.3 Committee Action

Any act which the Plan authorizes or requires the Committee to do may be done by a majority of its members. The action of such majority, expressed from time to time by a vote at a meeting (i) in person, or (ii) by telephone or other means by which all members can hear one

another shall have the same effect for all purposes as if assented to by all members of the Committee at the time in office. The Committee may also act without a meeting by unanimous written consent.

7.4 Delegation

The members of the Committee may authorize one or more of their number to execute or deliver any instrument, make any payment or perform any other act which the Plan authorizes or requires the Committee to do.

7.5 Services

The Committee may employ or retain agents to perform such clerical, accounting and other services as it may require in carrying out the provisions of the Plan.

7.6 Indemnification

The Company shall indemnify and save harmless each member of the Committee against all expenses and liabilities arising out of membership on the Committee, other than expenses and liabilities arising from the such member's own gross negligence or willful misconduct, as determined by the Board of Directors.

8. AMENDMENT AND TERMINATION

The Company, by action of the Board of Directors or the Committee, may at any time or from time to time modify or amend any or all of the provisions of the Plan, or may at any time terminate the Plan. No such action shall adversely affect the accrued rights of any Participant hereunder without the Participant's consent thereto.

9. GENERAL PROVISIONS

9.1 Limitation of Rights

No Participant shall have any right to any payment or benefit hereunder except to the extent provided in the Plan.

9.2 No Rights as Stockholders

Nothing contained in this Plan shall be construed as giving any Participant rights as a stockholder of the Company.

9.3 Rights as a Non-Employee Director

Nothing contained in this Plan shall be construed as giving any Participant a right to be retained as a non-employee director of the Company.

9.4 Assignment, Pledge or Encumbrance

No assignment, pledge or other encumbrance of any payments or benefits under the Plan shall be permitted or recognized and, to the extent permitted by law, no such payments or benefits shall be subject to legal process or attachment for the payment of any claim of any person entitled to receive the same, except to the extent such assignment, pledge or other encumbrance is in favor of the Company to secure a loan or other extension of credit from the Company to the Participant.

9.5 Binding Provisions

The provisions of this Plan shall be binding upon each Participant as a consequence of the Participant's election to participate in the Plan, upon the Company, upon the Participant's heirs, executors and administrators and upon the successors and assigns of the Participant and the Company.

9.6 Notices

Any election made or notice given by a Participant pursuant to the Plan shall be in writing to the Committee or to such representative thereof as may be designated by the Committee for such purpose and shall be deemed to have been made or given on the date received by the Committee or its representative.

9.7 Governing Law

The validity and interpretation of the Plan and of any of its provisions shall be construed under the laws of the State of Delaware without giving effect to the choice of law provisions thereof.

9.8 Withholding

The Company shall have the right to deduct from the amounts distributable hereunder any federal, state or local taxes required by law to be withheld with respect to such distributions, and such additional amounts of withholding as are reasonably requested by the Participant.

9.9 Effective Date

This Plan shall be effective as of March 12, 1999. The Plan was amended and restated effective May 14, 2002, October 24, 2003, July 27, 2004, February 10, 2005, July 21, 2005, February 8, 2006, July 20, 2006 and November 12, 2007. The Plan was amended on May 5, 2010, July 20, 2010, July 24, 2012, April 30, 2014, February 18, 2015, July 27, 2015, October 21, 2015, October 24, 2018 and February 21, 2020.

CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT (the “Agreement”) is entered into as of February 21, 2020 (the “Effective Date”) by and between Trex Company, Inc., a Delaware corporation (the “Company”), and Bryan H. Fairbanks, a key employee of the Company (the “Eligible Employee”).

Recitals

WHEREAS, the Eligible Employee has been and will be important in developing and expanding the business and operations of the Company and possesses valuable knowledge and skills with respect to such business;

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the “Committee”) believes that it is in the best interests of the Company to encourage the Eligible Employee’s continued employment with and dedication to the Company and has authorized the Company to enter into this Agreement;

WHEREAS, the parties desire to enter into this Agreement setting forth the terms and conditions for the payment of compensation to the Eligible Employee in the event of a termination of the Eligible Employee’s employment in connection with a Change in Control (as defined herein) during the term of this Agreement;

NOW, THEREFORE, in consideration of the foregoing, the agreements and covenants set forth herein, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Definitions.** Except as otherwise provided in this Agreement, capitalized terms in this Agreement shall have the meanings set forth in this Section 1.
 - (a) “**Administrator**” means the Committee or such other person or persons appointed from time to time by the Committee.
 - (b) “**Affiliate**” means any “parent corporation” and any “subsidiary corporation” of the Company, as such terms are defined in Section 424 of the Code.
 - (c) “**Board**” means the Board of Directors of the Company.
 - (d) “**Cause**” means one of the following reasons for which the Eligible Employee’s employment with the Employer is terminated: (1) willful or grossly negligent misconduct that is materially injurious to the Employer; (2) embezzlement or misappropriation of funds or property of the Employer; (3) conviction of a felony or the entrance of a plea of guilty or nolo contendere to a felony; (4) conviction of any crime involving fraud, dishonesty, moral turpitude or breach of trust or the entrance of a plea of guilty or nolo contendere to such a crime; or (5) failure or refusal by the Eligible Employee

to devote full business time and attention to the performance of his duties and responsibilities if such breach has not been cured within 15 days after notice thereof is given to the Eligible Employee.

(e) “Change in Control” means the first of the following events to occur after the Effective Date:

(1) The consummation of a transaction in which any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes, within the 12-month period ending on the date of such person’s most recent acquisition, a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities representing more than 35% of the voting power of the then outstanding securities of the Company; provided that a Change in Control shall not be deemed to occur as a result of a transaction in which the Company becomes a subsidiary of another corporation and in which the stockholders of the Company, immediately prior to the transaction, will beneficially own, immediately after the transaction, shares entitling such stockholders to more than 50% of all votes to which all stockholders of the other corporation would be entitled in the election of directors (without consideration of the rights of any class of stock to elect directors by a separate class vote);

(2) The consummation of (a) a merger, consolidation, or similar extraordinary event involving the Company and another entity where the stockholders of the Company, immediately prior to the merger, consolidation or similar extraordinary event, will not beneficially own, immediately after the merger, consolidation or similar extraordinary event, securities entitling such stockholders to more than 50% of all votes to which all stockholders of the surviving corporation would be entitled in the election of directors (without consideration of the rights of any class of stock to elect directors by a separate class vote), or (b) a sale or other disposition of all or substantially all of the assets of the Company; or

(3) During any 24-month period, individuals who at the beginning of any such period constitute the Board cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the Company’s stockholders, of each director of the Company first elected during such period was approved by a vote of at least two-thirds of the directors of the Company then still in office who were directors of the Company at the beginning of such 24-month period.

(f) “Change in Control Severance Benefits” means the benefits payable pursuant to Section 3 of this Agreement.

- (g) “Change in Control Protection Period” means the period commencing on the later of (1) the date that is 90 days before the date a Change in Control occurs or (2) the Effective Date, and ending on the second anniversary of the date the Change in Control occurs.
- (h) “Code” means the Internal Revenue Code of 1986, as amended.
- (i) “Disability” shall have the meaning given that term under the Trex Company, Inc. Disability Plan, as in effect at the time a determination of Disability is to be made.
- (j) “Employer” means the Company or an Affiliate.
- (k) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- (l) “Final Pay” means the sum of (1) the greater of (A) the Eligible Employee’s annual base salary in effect immediately prior to the Change in Control, or (B) the Eligible Employee’s annual base salary in effect at the time employment terminates, and (2) the greater of (A) the Eligible Employee’s targeted cash bonus for the year immediately prior to the year in which the Change in Control occurs, (B) the Eligible Employee’s targeted cash bonus for the year in which employment terminates or (C) the actual cash bonus earned by the Eligible Employee for the year immediately prior to the year in which employment terminates.
- (m) “Good Reason” means, without the specific written consent of the Eligible Employee, any of the following:
 - (1) A material and adverse change in the Eligible Employee’s status or position(s) as an officer or management employee of the Employer as in effect immediately prior to the Change in Control, including, without limitation, any adverse change in his status or position as an employee of the Employer as a result of a material diminution in his duties or responsibilities or the assignment to him of any duties or responsibilities which are materially inconsistent with such status or position(s) (other than any isolated and inadvertent failure by the Employer that is cured promptly upon his giving notice), or any removal of the Eligible Employee from or any failure to reappoint or reelect him to such position(s) (except in connection with the Eligible Employee’s Severance other than for Good Reason).
 - (2) A 10% or greater reduction in the Eligible Employee’s aggregate base salary and targeted bonus from the aggregate base salary and targeted bonus that was in effective immediately prior to the occurrence of a Change in Control, but disregarding any reduction in

targeted bonus which occurs in accordance with the terms of any written bonus program as it reads immediately prior to the occurrence of a Change in Control.

(3) The failure by the Employer or any successor to continue in effect any employee benefit plan (excluding any equity compensation plan) in which the Eligible Employee is participating at the time of the Change in Control (or plans providing the Eligible Employee with similar benefits that are not materially reduced in the aggregate) other than as a result of the normal expiration of any such plan in accordance with its terms as in effect at the time of the Change in Control; or the taking of any action, or the failure to act, by the Employer or any successor which would adversely affect the Eligible Employee's continued participation in any of such plans on at least as favorable a basis to him as is the case on the date of the Change in Control or which would materially reduce his benefits under any of such plans.

(4) The Employer's requiring the Eligible Employee to be based at an office that is both more than 50 miles from where his office is located immediately prior to the Change in Control and further from his then current residence, except for required travel on the Employer's business to an extent substantially consistent with the business travel obligations which the Eligible Employee undertook on behalf of the Employer prior to the Change in Control.

(n) "Incentive Plan" means the Trex Company, Inc. 2014 Stock Incentive Plan (or a successor plan).

(o) "Severance" means (1) the involuntary termination of the Eligible Employee's employment by the Employer, other than for Cause, death or Disability or (2) a termination of the Eligible Employee's employment by the Eligible Employee for Good Reason, in each case, during the Change in Control Protection Period; provided, however, that in each case the termination constitutes a "separation from service" within the meaning of Section 409A(a)(2)(A)(i) of the Code and Treasury Regulations thereunder.

(p) "Severance Date" means the date on which the Eligible Employee incurs a Severance.

2. Term of Agreement. This Agreement shall remain in effect from the Effective Date through December 31, 2020; provided, however, that (a) the Agreement shall automatically extend for additional one-year terms unless the Company provides written notice to the Eligible Employee not less than six months before the end of the then-current term; and (b) the Agreement shall automatically extend until the end of the Change in Control Protection Period if a Change in Control occurs during the term of the Agreement.

3. Change in Control Severance Benefits.

- (a) Generally. Subject to subsections (h) and (i) below and Section 4, the Eligible Employee shall be entitled to the Change in Control Severance Benefits provided in this Section 3 if he or she incurs a Severance during the Change in Control Protection Period. If the Eligible Employee becomes entitled to receive compensation or benefits under the terms of this Section 3, such compensation or benefits will be reduced by other severance benefits payable under any plan, program, policy or practice of or agreement or other arrangement between the Eligible Employee and the Company. It is intended that the net effect to the Eligible Employee of entitlement to any similar benefits that are contained both in this Agreement and in any other existing plan, program, policy or practice of or agreement or arrangement between the Eligible Employee and the Company will be to provide the Eligible Employee with the greater of the benefits under this Agreement or under such other plan, program, policy, practice, or agreement or arrangement.
- (b) Payment of Accrued Obligations. If the Eligible Employee incurs a Severance during the Change in Control Protection Period, the Company shall pay to him a lump sum payment in cash, no later than 10 days after the Severance Date (or the date of the Change in Control, if later), equal to the sum of (1) the Eligible Employee's accrued annual base salary and any accrued vacation pay through the Severance Date, (2) the Eligible Employee's annual bonus earned for the fiscal year immediately preceding the fiscal year in which the Severance Date occurs if such bonus has not been paid as of the Severance Date; and (3) the Eligible Employee's targeted cash bonus for the year in which the Severance occurs, pro-rated based upon the number of days the Eligible Employee was employed during such year.
- (c) Payment of Severance. Subject to subsections (h) and (i) below and Section 4, if the Eligible Employee incurs a Severance during the Change in Control Protection Period, the Company shall pay to him a lump sum cash payment, no later than 10 days after the Severance Date (or the date of the Change in Control, if later), equal to two and ninety-nine one-hundredths (2.99) times the Eligible Employee's Final Pay.
- (d) **[Intentionally Omitted].**
- (e) **[Intentionally Omitted].**
- (f) Benefit Continuation. Subject to subsections (h) and (i) below and Section 4, if the Eligible Employee incurs a Severance during the Change in

Control Protection Period, commencing on the date immediately following such Eligible Employee's Severance Date and continuing for 18 months (or such lesser time as required to avoid the imposition of additional taxes under Section 409A of the Code) (the "Welfare Benefit Continuation Period"), the Company shall cover the Eligible Employee under the same type of Employer-sponsored group health plan and dental plan (*e.g.*, individual or family coverage) and group life insurance in which he was covered as of his Severance Date. The Eligible Employee shall receive such continued coverage under the same terms and conditions (*e.g.*, any requirement that employees pay all or any portion of the cost of such coverage) that would apply if the Eligible Employee had continued to be an employee of the Employer during the Welfare Benefit Continuation Period.

For each month during the Welfare Benefit Continuation Period in which the Eligible Employee's continued coverage under an insured plan is not possible, the Company shall, in lieu of providing the coverage described in the preceding paragraph, make a monthly cash payment to the Eligible Employee equal to the monthly premium the Employer would be charged for coverage of a similarly-situated employee. The Company shall not be obligated to "gross up" or otherwise compensate the Eligible Employee for any taxes due on amounts paid pursuant to the preceding sentence.

Notwithstanding any other provision of this subsection (f), the Company's obligation to provide continued coverage (or, in lieu thereof, make a cash payment) pursuant to this subsection (f) shall expire on the date the Eligible Employee becomes covered under one or more plans sponsored by a new employer (other than a successor to the Company) that, at the sole discretion of the Administrator, are determined to provide coverage at least equivalent in the aggregate to the benefits continued under this subsection (f). The coverage period for purposes of the group health continuation requirements of Section 4980B of the Code shall commence at the expiration of the Welfare Benefit Continuation Period.

- (g) Outplacement Services. Subject to subsection (i) below and Section 4, if the Eligible Employee incurs a Severance during the Change in Control Protection Period, the Company shall provide him with reasonable outplacement services for up to 12 months following the Severance Date.
- (h) Release. The Eligible Employee shall not be eligible to receive any Change in Control Severance Benefits provided in this Section 3 (other than payments under Section 3(b)) unless he first executes a written release and agreement provided by the Company and does not revoke such release and agreement within the time permitted therein for such revocation.

- (i) Restriction on Timing of Distribution. Anything in this Agreement to the contrary notwithstanding, if (1) on the Eligible Employee's Severance Date, any of the Company's stock is publicly traded on an established securities market or otherwise (within the meaning of Section 409A(a)(2)(B)(i) of the Code) and (2) as a result of such termination, the Eligible Employee would receive any payment that, absent the application of this Section 3(i), would be subject to interest and additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(2)(B)(i) of the Code, then no such payment shall be payable prior to the date that is the earliest of (x) six months after the Eligible Employee's Severance Date, (y) the Eligible Employee's death or (z) such other date as will cause such payment not to be subject to such interest and additional tax.
4. Reduction of Change in Control Severance Benefits.
- (a) Reduction of Payments. To the extent necessary to avoid imposition of the excise tax under Section 4999 of the Code in connection with a Change in Control, the amounts payable or benefits to be provided to the Eligible Employee shall be reduced such that the reduction of compensation to be provided to the Eligible Employee is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis (but not below zero).
- (b) Determination. The determination that the Eligible Employee's Payment would cause him to become subject to the excise tax imposed under Section 4999 of the Code and the calculation of the amount of any reduction, shall be made, at the Company's discretion, by the Company's outside auditing firm or by a nationally-recognized accounting or benefits consulting firm designated by the Company prior to a Change in Control. The firm's expenses shall be paid by the Company.
- (c) Payment of Remaining Benefits. If a determination is made that the Eligible Employee's Change in Control Severance Benefits provided in Section 3(c) must be reduced, payment of the remaining Change in Control Severance Benefits provided in Section 3(c) shall be made in a lump sum cash payment no later than 10 days after the latter of the Severance Date or the date the determination is made.
5. Taxes; Withholding. The Eligible Employee shall be responsible for the payment of all applicable local, state and federal taxes associated with the Eligible Employee's receipt of Change in Control Severance Benefits hereunder, and the Company shall have the right to deduct from any distributions hereunder any such taxes or other amounts required by law to be withheld therefrom.

6. Claims Procedures.

- (a) Applications for Benefits and Inquiries. Any application for benefits, inquiries about this Agreement or inquiries about present or future rights under this Agreement must be submitted to the Administrator in writing.
- (b) Denial of Claims. In the event that any application for benefits is denied in whole or in part, the Administrator must notify the applicant, in writing, of the denial of the application, and of the applicant's right to review the denial. The written notice of denial will be set forth in a manner designed to be understood by the applicant, and will include specific reasons for the denial, specific references to the provisions of this Agreement upon which the denial is based, a description of any additional material or information necessary for the applicant to perfect the claim and an explanation of why such material or information is necessary, and an explanation of the review procedure, including the applicant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision on review. This written notice will be given to the applicant within 90 days after the Administrator receives the application, unless special circumstances require an extension of time, in which case, the Administrator has up to an additional 90 days. If an extension of time is required, written notice of the extension will be furnished to the applicant before the end of the initial 90-day period. This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Administrator expects to render a decision on the application.
- (c) Request for a Review. Any person (or that person's authorized representative) for whom an application for benefits is denied, in whole or in part, may appeal the denial by submitting a written request for a review to the Administrator within 60 days after the application is denied. The Administrator will give the applicant (or his or her authorized representative) an opportunity to review pertinent documents in preparing a request for a review and submit written comments, documents, records and other information relating to the claim.
- (d) Decision on Review. The Administrator will provide written notice of its decision on review within 60 days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional 60 days). If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial 60-day period. This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Administrator expects to render a decision on review. In the event that the Administrator confirms the denial of the application for benefits in whole or in part, the notice will outline, in a manner calculated to be understood by the applicant, the specific reasons for the decision, the specific provisions of this Agreement upon which the decision is based, a statement that the

applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the applicant's claim for benefits, and a statement of the applicant's right to bring an action under Section 502(a) of ERISA.

- (e) Rules and Procedures. The Administrator may establish rules and procedures, consistent with this Agreement and with ERISA, as necessary and appropriate in carrying out its responsibilities in reviewing benefit claims.

7. Immediate Vesting of Equity-Based Compensation Awards upon a Change in Control. If a Change in Control occurs during the term of this Agreement, (1) the unexercised portions of all Options and SARs (as defined in the Incentive Plan) granted to the Eligible Employee under the Incentive Plan that have not expired or been forfeited pursuant to their terms shall automatically accelerate and become fully exercisable, (2) the restrictions and conditions on all outstanding Restricted Stock and Restricted Stock Units (as defined in the Incentive Plan) granted to the Eligible Employee that have not expired or been forfeited pursuant to their terms shall immediately lapse and such Restricted Stock and Restricted Stock Units shall vest, and (3) all outstanding Restricted Stock Units and Restricted Stock (as defined in the Incentive Plan) granted to the Eligible Employee that are based upon performance of the Company over a certain period of time shall become payable at the Eligible Employee's target payment for the relevant performance period (regardless of the amount of the relevant performance period that precedes the Change in Control). Where a Severance precedes the Change in Control (i.e., by operation of clause (1) of Section 1(g)) and the terms of any award granted to the Eligible Employee under the Incentive Plan would otherwise call for the forfeiture of such award upon the termination of the Eligible Employee's employment with the Company, such award shall not be deemed to be forfeited on account of the Eligible Employee's Severance and shall remain outstanding (subject to the other terms of the award, including its original term) as if the Change in Control preceded the Severance.

8. General Provisions

- (a) Amendment and Termination. This Agreement may not be terminated prior to the end of its term without the written consent of the Eligible Employee. This Agreement may be amended by the Committee at any time; provided, however, that this Agreement may not be amended without the written consent of the Eligible Employee if such amendment would in any manner adversely affect the rights of the Eligible Employee under this Agreement.
- (b) Assignment. Except as otherwise provided herein or by law, no right or interest of the Eligible Employee under this Agreement shall be assignable or transferable, in whole or in part, either directly or by operation of law or otherwise, including without limitation by execution, levy, garnishment, attachment, pledge or in any manner; no attempted assignment or transfer

thereof shall be effective. Notwithstanding the preceding sentence, if the Eligible Employee is unable to care for his affairs when a payment is due under this Agreement to the Eligible Employee, payment may be made directly to his legal guardian or personal representative.

- (c) Compliance with Law. Notwithstanding subsection (a) above or any other provision of this Agreement to the contrary, the Company may amend, modify or terminate this Agreement, without the consent of the Eligible Employee, as the Company deems necessary or appropriate to ensure compliance with any law, rule, regulation or other regulatory pronouncement applicable to this Agreement, including, without limitation, Section 409A of the Code and any Treasury Regulations or other guidance thereunder.
- (d) Governing Law. This Agreement shall be construed and enforced according to the laws of the Commonwealth of Virginia to the extent not preempted by federal law, without regard to any conflict of laws principles that would apply the law of another jurisdiction.
- (e) Severability. If any provision of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof, and this Agreement shall be construed and enforced as if such provisions had not been included.
- (f) Headings and Terms. The headings and captions herein are provided for reference and convenience only, shall not be considered part of the Agreement, and shall not be employed in the construction of the Agreement. Capitalized terms shall have the meanings given herein. Singular nouns shall be read as plural and masculine pronouns shall be read as feminine, and vice versa, as appropriate.
- (g) No Assurance of Employment. Neither the execution and delivery of this Agreement by the Company and the Eligible Employee nor the creation of any fund, trust or account, nor the payment of any benefits shall be construed as giving the Eligible Employee the right to be retained in the service of the Employer, and the Eligible Employee shall remain subject to discharge to the same extent as if this Agreement had never been entered into.
- (h) Successors. This Agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties, including the Eligible Employee and any successor to the Company. If the Eligible Employee incurs a Severance during the Change in Control Protection Period but dies before his Change in Control Severance Benefits have been fully paid, any unpaid amounts shall be paid to the executor, personal representative or administrators of the Eligible Employee's estate in a lump sum payment no later than the fifteenth day of the third calendar month following the Eligible Employee's death.

- (i) Notice. For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when hand delivered, sent by overnight courier, or mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by telegram, telecopy, or telex, addressed, in the case of the Eligible Employee, to the Eligible Employee's address as shown on the Company's records, and, in the case of the Company or the Administrator, to the Company's principal office, to the attention of the Chief Executive Officer or to the Chairman of the Committee, as applicable, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.
- (j) Entire Agreement. This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof. Any and all prior agreements or understandings with respect to such matters are hereby superseded.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed as of the day first above written.

TREX COMPANY, INC.

By: /s/ William R. Gupp

William R. Gupp, Senior Vice President,
General Counsel and Secretary

ELIGIBLE EMPLOYEE

/s/ Bryan H. Fairbanks

Name: Bryan H. Fairbanks

AMENDED AND RESTATED SEVERANCE AGREEMENT

This Amended and Restated Severance Agreement is entered into as of February 21, 2020, by and between Bryan H. Fairbanks, an individual (“Executive”) and Trex Company, Inc., a Delaware corporation (the “Company”).

Executive and the Company entered into a Severance Agreement dated as of July 24, 2019 setting forth their agreement pursuant to which Executive will receive certain benefits upon severance from the Company under certain circumstances. The parties now desire to amend Severance Agreement. The Severance Agreement, as amended and restated, is as follows:

Recitals

Executive is an officer of the Company. The Company and Executive desire to set forth their agreement pursuant to which Executive will receive certain benefits upon severance from the Company under certain circumstances.

Agreement

Now, therefore, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. Term. The term of this Agreement (the “Term”) shall begin on April 29, 2020, and shall end on August 3, 2023, unless this Agreement is extended by mutual agreement of the parties.

2. Termination of Employment.

(a) Termination by the Company for Cause or at the Election of Executive Without Good Reason. In the event Executive’s employment is terminated for Cause, as defined in Section 3(a), or at the election of Executive for any reason other than Good Reason, as defined in Section 3(b), the Company shall pay to Executive the compensation and benefits otherwise due and payable to him in a lump sum payment in cash, payable within 10 days after termination of employment, equal to the sum of (1) Executive’s then annual base salary (“Base Salary”) and any accrued vacation pay through the date of termination of employment, and (2) Executive’s annual bonus earned for the fiscal year immediately preceding the fiscal year in which the date of termination of employment occurs if such bonus has not been paid as of the date of termination of employment.

(b) Termination for Death or Disability. If Executive's employment is terminated by death or because of Disability, as defined in Section 3(c), the Company shall pay to the estate of Executive or to Executive, as the case may be, a lump sum payment in cash, payable within 10 days after termination of employment, equal to the sum of (1) Executive's accrued Base Salary and any accrued vacation pay through the date of termination of employment, and (2) Executive's annual bonus earned for the fiscal year immediately preceding the fiscal year in which the date of termination of employment occurs if such bonus has not been paid as of the date of termination of employment.

(c) Termination by the Company Without Cause or By Executive for Good Reason. If Executive's employment is terminated by the Company without Cause, or is terminated by Executive for Good Reason, at any time during the Term (including extensions thereof), except during the Change in Control Protection Period (as defined in Executive's Change In Control Severance Agreement) ("Change in Control Severance Agreement"), Executive will be entitled to the following payments and benefits outlined in this Section 2(c):

(1) Payment of Accrued Obligations. The Company shall pay to Executive a lump sum payment in cash, no later than 10 days after the date of termination of employment, equal to the sum of (1) Executive's accrued Base Salary and any accrued vacation pay through the date of termination of employment, and (2) Executive's annual bonus earned for the fiscal year immediately preceding the fiscal year in which the date of termination of employment occurs if such bonus has not been paid as of the date of termination of employment.

(2) Payment of Severance. The Company shall pay to Executive a lump sum cash payment, no later than 10 days after such termination, equal to two (2) times Executive's Final Pay as defined in Section 3(d). In the event Executive materially breaches any non-compete or confidentiality agreement then in effect with the Company, Executive agrees to return to the Company all amounts received under this Section 2(c)(2).

(3) Equity. Outstanding equity shall vest as follows: (1) The unexercised portions of all Options and SARs (as defined in the Trex Company, Inc. 2014 Stock Incentive Plan or a successor plan ("Incentive Plan") granted to Executive under the Incentive Plan that have not expired or been forfeited pursuant to their terms shall automatically accelerate and become fully exercisable, (2) the restrictions and conditions on all outstanding Restricted Stock and Restricted Stock Units (as defined in the Incentive Plan) granted to the Executive that have not expired or been forfeited pursuant to their terms shall immediately lapse and such Restricted Stock and Restricted Stock Units shall vest, and (3) all outstanding Restricted Stock Units and Restricted Stock (as defined in the Incentive Plan) granted to the Executive that are based upon performance of the Company over a certain period of time shall become payable

at the Executive's target payment for the relevant performance period (regardless of the amount of the relevant performance period that precedes the termination of employment).

(4) Benefit Continuation. Commencing on the date immediately following Executive's date of termination of employment and continuing for 12 months (or such lesser time as required to avoid the imposition of additional taxes under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code")) (the "Welfare Benefit Continuation Period"), the Company shall cover Executive under the same type of Company-sponsored group health plan and dental plan (e.g., individual or family coverage) in which he was covered immediately prior to termination of employment. The Executive shall receive such continued coverage under the same terms and conditions (e.g., any requirement that employees pay all or any portion of the cost of such coverage) that would apply if Executive had continued to be an employee of the Company during the Welfare Benefit Continuation Period.

(5) For each month during the Welfare Benefit Continuation Period in which Executive's continued coverage under an insured plan is not possible, the Company shall, in lieu of providing the coverage described in the preceding paragraph, make a monthly cash payment to Executive equal to the monthly premium the Company would be charged for coverage of a similarly-situated employee. The Company shall not be obligated to "gross up" or otherwise compensate Executive for any taxes due on amounts paid pursuant to the preceding sentence.

(6) Notwithstanding any other provision of this Section 2(c), the Company's obligation to provide continued coverage (or, in lieu thereof, make a cash payment) pursuant to this Section 2(c) shall expire on the date Executive becomes covered under one or more plans sponsored by a new employer (other than a successor to the Company) that, at the sole discretion of the Administrator, as defined in Section 3(e), are determined to provide coverage at least equivalent in the aggregate to the benefits continued under Section 2(c)(4). The coverage period for purposes of the group health continuation requirements of Section 4980B of the Code shall commence at the expiration of the Welfare Benefit Continuation Period.

(7) Release. The Executive shall not be eligible to receive any payments or benefits provided in Section 2(c) (other than payments under Section 2(c)(1)) unless he first executes a written release and agreement provided by the Company and does not revoke such release and agreement within the time permitted therein for such revocation.

(8) Restriction on Timing of Distribution. Anything in this Agreement to the contrary notwithstanding, if (1) on Executive's date of termination of employment, any of the Company's stock is publicly traded on an

established securities market or otherwise (within the meaning of Section 409A(a)(2)(B)(i) of the Code) and (2) as a result of such termination, Executive would receive any payment that, absent the application of this Section 2(c)(8), would be subject to interest and additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(1)(B) of the Code, then no such payment shall be payable prior to the date that is the earliest of (x) six months after Executive's date of termination of employment, (y) Executive's death or (z) such other date as will cause such payment not to be subject to such interest and additional tax. For the avoidance of doubt, upon the Executive's involuntary separation from service (as defined in Treas. Regs. §1.409A-1(n)), the preceding sentence shall not prevent payment to the Executive during such six-month period of an aggregate amount not exceeding the lesser of (a) two (2) times the sum of the Executive's annualized compensation based upon the annual rate of pay for his taxable year preceding the taxable year of the separation from service, or (b) two (2) times the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Executive has a separation from service, as permitted pursuant to Treas. Regs. §1.409A-1(b)(9)(iii).

(d) Termination During a Change in Control Protection Period. If Executive's employment is terminated during a Change in Control Protection Period (as that term is defined in Executive's Change in Control Severance Agreement), Executive shall be entitled to receive such severance payments and benefits as are set forth in Executive's Change in Control Severance Agreement, and shall not be entitled to any benefits under this Section 2.

3. Definitions.

(a) "Cause" means one of the following reasons for which the Executive's employment with the Company is terminated: (1) Executive's willful or grossly negligent misconduct that is materially injurious to the Company; (2) Executive's embezzlement or misappropriation of funds or property of the Company; (3) Executive's conviction of a felony or the entrance of a plea of guilty or nolo contendere to a felony; (4) Executive's conviction of any crime involving fraud, dishonesty, moral turpitude or breach of trust or the entrance of a plea of guilty or nolo contendere to such a crime; or (5) Executive's willful failure or refusal by Executive to devote his full business time (other than on account of disability or approved leave) and attention to the performance of his duties and responsibilities if such breach has not been cured within 15 days after written notice thereof is given to the Executive by the Board.

(b) For the purposes of this Agreement, "Good Reason" shall exist upon: (1) a material and adverse change in Executive's status or position(s) as an officer or management employee of the Company, including, without limitation, any adverse change in his status or position as an employee of the Company as a result of a material diminution in his duties or responsibilities

(other than, if applicable, any such change directly attributable to the fact that the Company is no longer publicly owned) or the assignment to him of any duties or responsibilities which are materially inconsistent with such status or position(s) (other than any isolated and inadvertent failure by the Company that is cured promptly upon his giving notice), or any removal of Executive from or any failure to reappoint or reelect him to such position(s) (except in connection with Executive's termination other than for Good Reason); (2) a 10% or greater reduction in Executive's aggregate Base Salary and targeted bonus, other than any such reduction proportionately consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company; (3) Company's requiring Executive to be based at an office that is both more than 50 miles from where his office is located and further from his then current residence; or (4) a material breach by the Company of this Agreement; provided, however, that if any of the conditions in this Section 3(b) exists, Executive must provide notice to the Company no more than ninety (90) calendar days following the initial existence of the condition and his intention to terminate his employment for Good Reason. Upon such notice, the Company shall have a period of thirty (30) calendar days during which it may remedy the condition.

(c) For the purposes of this Agreement, the term "Disability" shall have the meaning given that term under the Trex Company, Inc. disability plan carrier, as in effect at the time a determination of Disability is to be made.

(d) For the purposes of this Agreement, the term "Final Pay" shall be defined as the sum of (1) Executive's Base Salary in effect at the time employment terminates (without taking into consideration a reduction in Base Salary which constitutes "Good Reason" as provided in Section 3(b) (2) above), and (2) the greater of (A) Executive's targeted cash bonus for the year immediately prior to the year in which employment terminates or (B) the actual cash bonus earned by the Executive for the year immediately prior to the year in which employment terminates.

(e) For the purposes of this Agreement, the term "Administrator" means the Compensation Committee of the Board of Directors or such other person or persons appointed from time to time by the Committee.

4. Notices. For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when hand delivered, sent by overnight courier, or mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by telegram, telecopy, or telex, addressed, in the case of Executive, to Executive's address as shown on the Company's records and, in the case of the Company, to the Company's principal office, to the attention of the General Counsel, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

5. Entire Agreement. This Agreement, together with the Executive's Change In Control Severance Agreement, any stock appreciation rights agreement, restricted stock agreement and/or any other equity agreement issued pursuant to the Trex Company, Inc. 2014 Stock Incentive Plan (or a predecessor or successor plan), any Director/Officer Indemnification Agreement, and any restrictive covenant agreement, constitute the entire agreement between the parties and supersede all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

6. Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and Executive.

7. Governing Law. This Agreement shall be construed, interpreted and enforced as a sealed instrument under and in accordance with the laws of the Commonwealth of Virginia, without reference to the conflicts of laws provisions thereof. Any action, suit or other legal proceeding which is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Virginia (or, if appropriate, a federal court located within Virginia), and the Company and Executive each consents to the jurisdiction of such a court.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which or into which the Company may be merged or which may succeed to its assets or business, provided, however, that the obligations of Executive are personal and shall not be assigned by him. Notwithstanding the foregoing, in the event of Executive's death, any payments that Executive was otherwise entitled to under this Agreement shall be made to his estate.

9. Acknowledgment. Executive states and represents that he has had an opportunity to fully discuss and review the terms of this Agreement with an attorney. The Executive further states and represents that he has carefully read this Agreement, understands the contents herein, freely and voluntarily assents to all of the terms and conditions hereof, and signs his name of his own free act. The Company represents that it has obtained all necessary consents and approvals to execute this Agreement.

10. Miscellaneous.

(a) No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(b) The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(c) Termination of employment under this Agreement shall mean a separation from service under Section 409A of the Code.

(d) In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

Trex Company, Inc.

By: /s/ William R. Gupp
Title: Senior Vice President, General Counsel & Secretary

Executive:

/s/ Bryan H. Fairbanks
Name: Bryan H. Fairbanks