

**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): January 1, 2008

TREX COMPANY, INC.

(Exact name of registrant as specified in its 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)

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

Not Applicable

(Former name or former address, if changed since last report)

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

(b) Effective as of January 1, 2008, Andrew U. Ferrari resigned as President and Chief Executive Officer of Trex Company, Inc. (the "Company") upon the appointment, described in paragraph (c) of this Item 5.02, of Ronald W. Kaplan as the Company's President and Chief Executive Officer.

Effective as of January 1, 2008, Anthony J. Cavanna resigned as the Company's Chairman of the Board. Mr. Cavanna will continue to serve as a director of the Company. Effective as of the same date, the Company's Board of Directors appointed Andrew U. Ferrari to serve as Chairman of the Board.

(c) Effective as of January 1, 2008, the Board of Directors appointed Ronald W. Kaplan, age 56, to serve as the Company's President and Chief Executive Officer. Before joining the Company, Mr. Kaplan served since February 2006 as the Chief Executive Officer of Continental Global Group, Inc., a manufacturer of bulk material handling systems. Between July 2005 and February 2006, Mr. Kaplan was an independent consultant. Mr. Kaplan was employed by Harsco Corporation, an international industrial services and products company, between 1979 and July 2005, at which he served in a number of capacities, including as Senior Vice President-Operations, and, most recently as President of Harsco's Gas Technologies Group, which manufactures containment and control equipment for the global gas industry. Mr. Kaplan received a B.A. in Economics from Alfred University and an M.B.A. degree from the Wharton School of Business, University of Pennsylvania.

As indicated above, Mr. Kaplan has served as the Chief Executive Officer of Continental Global Group, Inc. since February 2006. The Company purchases conveyor systems from a wholly owned subsidiary of Continental Global in the ordinary course of business on standard commercial terms. For these purchases, the Company paid \$271,887 in fiscal 2006 and \$497,830 in the nine months ended September 30, 2007.

Mr. Kaplan has entered into an employment agreement, dated as of January 1, 2008, with the Company. The agreement has an initial term expiring on December 31, 2012. The term of Mr. Kaplan's employment will automatically be extended for additional one-year periods beginning on January 1, 2013 unless either Mr. Kaplan or the Company provides a non-extension notice to the other at least 90 days before the expiration of the term then in effect. Under the agreement, Mr. Kaplan is entitled to receive a signing bonus of \$200,000, to be paid an initial annual base salary of \$500,000, to participate in the Company's annual cash bonus plan with an initial target incentive equal to 80% of Mr. Kaplan's base salary, to participate in the Company's 2005 Stock Incentive Plan, and to receive all medical and other benefits extended to the Company's other senior executives. The employment agreement provides for the payment of severance benefits to Mr. Kaplan if the Company terminates his employment without "cause" or if Mr. Kaplan resigns for "good reason." For this purpose, "good reason" includes events specified in the agreement, including a material and adverse change in

Mr. Kaplan's status or position with the Company, a 10% or greater reduction in Mr. Kaplan's base salary and targeted bonus other than as part of general reduction in executive compensation, and the relocation of Mr. Kaplan's office more than 50 miles from his current office and further than his then-current residence. Upon such a termination, Mr. Kaplan will be entitled to receive the following:

- a lump-sum cash payment equal to the sum of (1) Mr. Kaplan's accrued base salary and accrued vacation pay plus (2) if not previously paid, Mr. Kaplan's annual cash bonus earned for the preceding fiscal year;
- a lump-sum cash payment equal to two times the sum of (1) Mr. Kaplan's base salary then in effect plus (2) an amount equal to the greater of Mr. Kaplan's targeted cash bonus for the year in which his employment terminates or his actual cash bonus earned for the preceding year; and
- continued health, dental and life insurance benefits for up to 24 months.

If Mr. Kaplan's employment is terminated during a change in control protection period under his change in control severance agreement described below, Mr. Kaplan will be entitled to receive the severance payments specified under that agreement instead of the foregoing payments under his employment agreement.

Mr. Kaplan also has entered into a change in control severance agreement, dated as of January 1, 2008, with the Company. The terms of this agreement are generally similar to those of the Company's change in control severance agreements with its other executive officers, as described in the Company's proxy statement dated April 9, 2007 for its 2007 annual meeting of stockholders. Under Mr. Kaplan's 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. Kaplan's employment is terminated by the Company (other than for cause or by reason of death or disability) or if he terminates his employment in certain circumstances defined in the agreement which constitute "good reason," Mr. Kaplan will be entitled to receive the following:

- a lump-sum cash payment equal to the sum of (1) Mr. Kaplan's accrued base salary and accrued vacation pay plus (2) if not previously paid, Mr. Kaplan's annual cash bonus earned for the preceding fiscal year plus (3) Mr. Kaplan's targeted cash bonus 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) and (2) the greater of (a) his target annual cash bonus (for the year in which the change in control occurs or the year of the termination, whichever is greater) or (b) his actual annual cash bonus for the last fiscal year immediately prior to termination;

- 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; and
- accelerated vesting of all outstanding long-term incentive awards, including stock options, stock appreciation rights (“SARs”), restricted shares, and performance shares (at the targeted payment level).

In addition, the agreement provides that, if payments made to Mr. Kaplan would cause him to become subject to the excise tax payable pursuant to Section 4999 of the Internal Revenue Code, the Company will reduce his payment to the extent necessary to avoid the application of the excise tax, with Mr. Kaplan having the option to elect which components of the severance payment are so reduced.

The foregoing description of Mr. Kaplan’s employment agreement and change in control severance agreement with the Company is qualified in its entirety by reference to the agreements, copies of which are filed as Exhibits 10.1 and 10.2 to this report and incorporated herein by reference.

Pursuant to Mr. Kaplan’s employment agreement, on January 7, 2008, which will be his first day of employment, Mr. Kaplan will be granted long-term equity incentive awards under the Company’s 2005 Stock Incentive Plan in the form of SARs and shares of restricted stock with an aggregate value equal to 200% of Mr. Kaplan’s initial base salary described above. The SARs, which will be granted with a value equal to 140% of Mr. Kaplan’s initial base salary, will be granted at a price equal to the fair market value of the Company’s common stock on the grant date. The restricted stock awards will be granted with a value equal to 60% of Mr. Kaplan’s initial base salary. Both the SAR and restricted stock awards will vest ratably over three years on each anniversary of the grant date. The Company’s 2005 Stock Incentive Plan and forms of award agreement for grants of SARs and restricted stock thereunder have been filed with the Securities and Exchange Commission and are incorporated by reference herein.

(d) Effective as of January 1, 2008, Ronald W. Kaplan was appointed by the Company’s Board of Directors to the class of directors expiring at the annual meeting of stockholders to be held in 2008 and Andrew U. Ferrari was appointed by the Board of Directors to serve as Chairman of the Board.

Pursuant to the Company’s Amended and Restated 1999 Incentive Plan for Outside Directors (the “Plan”), Mr. Ferrari will receive compensation as non-employee Chairman of the Board in the form of an annual cash retainer of \$54,000 payable in equal quarterly installments and pro-rated for any partial quarters of service. Instead of the annual equity grant awarded to other non-employee directors, Mr. Ferrari will receive an annual cash payment of \$25,361 pro-rated based on his term of service and payable on the date of the first regularly scheduled Board of Directors meeting after the end of the Plan year.

The information set forth in paragraphs (b) and (c) of this Item 5.02 is incorporated by reference in this paragraph (d).

Item 9.01 Financial Statements and Exhibits.

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

Exhibit Number	Description of Exhibit
10.1	Employment Agreement, dated as of January 1, 2008, between Trex Company, Inc. and Ronald W. Kaplan.
10.2	Change in Control Severance Agreement, dated as of January 1, 2008, between Trex Company, Inc. and Ronald W. Kaplan.

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.

TREX COMPANY, INC.

/s/ William R. Gupp

William R. Gupp

Vice President and General Counsel

Date: January 2, 2008

Index to Exhibits

Exhibit Number	Description of Exhibit
10.1	Employment Agreement, dated as of January 1, 2008, between Trex Company, Inc. and Ronald W. Kaplan.
10.2	Change in Control Severance Agreement, dated as of January 1, 2008, between Trex Company, Inc. and Ronald W. Kaplan.

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of January 1, 2008, by and between Ronald W. Kaplan, an individual ("Executive") and Trex Company, Inc., a Delaware corporation (the "Company").

Recitals

The Company and Executive desire to set forth their agreement pursuant to which Executive will be retained as the President and Chief Executive Officer of the Company, and to provide for Executive's employment by the Company upon the terms and conditions set forth herein.

Agreement

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

1. Employment/Board of Directors. Executive will serve as President and Chief Executive Officer of the Company for the Employment Term specified in Section 2 below. Executive will solely report to the Board of Directors of the Company (the "Board"), and Executive will render such services, consistent with the foregoing role, as the Board may from time to time direct. All employees of the Company shall report either directly or indirectly to Executive. The Company will also appoint Executive to the Board of Directors for an initial term, and will recommend to the shareholders that Executive be reappointed to the Board whenever his election must be approved by the shareholders.

2. Term. The employment of Executive pursuant to this Agreement (the "Employment Term") shall begin as soon as the Executive is able to begin employment, but in no event more than 100 days after the date hereof (the "Employment Commencement Date") and shall continue through December 31, 2012, unless extended or the Executive's employment is earlier terminated as provided in this Agreement. The Employment Term shall automatically be extended for additional one-year periods commencing on January 1, 2013 and continuing each year thereafter, unless either Executive or the Company gives the other written notice and at least ninety (90) days prior to the then scheduled expiration of the Employment Term, of such party's intention not to extend the Employment Term.

3. Salary. As compensation for the services rendered by Executive under this Agreement, the Company shall pay to Executive a base salary initially equal to \$500,000 per year, payable to Executive in accordance with the Company's payroll practices as in effect from time to time during the Employment Term. The base salary shall be subject to adjustment by the Board or the Compensation Committee of the Board (the "Committee"), in the sole discretion of the Board or such Committee, on an annual basis; provided, however, that Executive's base salary may not be decreased other than any such reduction consistent with a general proportionate reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company. Executive's base salary, as may be adjusted from time to time as provided above, is referred to herein as "Base Salary".

4. **Bonus.** The executive shall be eligible for participation in The Trex Company, Inc. Annual Cash Bonus Plan. Executive will have a target incentive of 80% of his Base Salary for fiscal year 2008, with 80% of the award based on Company performance and 20% based on individual performance. The actual amount earned will be contingent upon actual Company and individual performance as identified in the plan and may range between 0% of target and the maximum payment allowable under the plan. The annual target bonus shall be established by the Board or its Compensation Committee, in the discretion of the Board or such Committee, but in no event shall the target bonus be less than 80% of Base Salary, and shall be payable based on achievement of performance objectives as identified in the plan and which are established in consultation with Executive.

5. **Stock Incentive Awards.** Executive shall become eligible to participate in any stock incentive plan approved by the Board of Directors and the shareholders at a level appropriate to his position as President and Chief Executive Officer. The terms and conditions of any and all such grants will be determined by the applicable Stock Agreement of the Trex Company, Inc. 2005 Stock Incentive Plan (or a successor plan) in effect at the time of such grant. Under the current provisions of the Plan, the President and Chief Executive Officer is eligible for an annual grant of Long-Term Incentives (LTI) which is equal to 200% of Base Salary.

In addition, on the Employment Commencement Date, the Company will grant the Executive an initial grant of stock equal to one (1) times the Annual LTI Grant amount (200% of Base Salary). This initial grant will be in the following form:

(a) Stock Appreciation Rights (SARs), the amount of which will be equal to 140% of Base Salary at an exercise price equal to the fair market value of the Common Stock on the date of the grant. The SARs shall vest equally over a three (3) year period in accordance with the award agreement, the form of which is attached hereto as Attachment 1.

(b) Restricted shares of Common Stock with a par value of \$0.01, the amount of which will be equal to 60% of Base Salary subject to a three (3) year annual vesting in equal installments in accordance with the award agreement, the form of which is attached hereto as Attachment 2.

For the Stock Incentive Awards granted to Executive upon hire only, all unvested shares will be automatically vested in the event of the termination of Executive's employment by the Company without Cause, as defined in Section 10(a) or a termination by the Executive for Good Reason, as defined in Section 10(b) prior to the completion of the vesting schedule and/or of the Term of Agreement. No other equity will vest unless stated in the applicable Stock Agreement.

6. Benefits.

(a) Benefits. Executive will be entitled to receive all benefits provided to senior executives, executives and employees of the Company generally from time to time, including medical, dental, life insurance and long-term disability, in each case so long as and to the extent that the same exist; provided, that in respect to each such plan Executive is otherwise eligible and insurable in accordance with the terms of such plans.

(b) Vacation, Sick Leave, and Holidays. Executive shall be entitled to vacation, which shall be no less than 4 weeks per year, sick leave, and holidays in accordance with the policies of the Company as they exist from time to time.

(c) Automobile Allowance. During the Employment Term, Executive shall be entitled to receive a monthly automobile allowance of \$750.00 for any and all expenses related to Executive's automobile (i.e., lease payments, insurance, gas, tolls, parking, etc.). Except for reimbursement of directly related automobile expenses (i.e. parking and tolls) incurred by Executive while fulfilling his duties and responsibilities to the Company, but which are outside of Executive's normal day to day usage of his automobile, Executive will not be entitled to any additional or alternative reimbursement for any other automobile related expenses. The payment of any taxes associated with the automobile allowance shall be the sole responsibility of Executive.

(d) Signing Bonus. Upon the Employment Commencement Date, Executive will receive a signing bonus of \$200,000, minus all deductions required by law. In the event Executive's employment is terminated at the election of Executive for any reason other than Good Reason prior to the first anniversary of the Employment Commencement Date, Executive will repay the Company a proportionate share of the signing bonus equal to \$200,000 multiplied by a fraction with a numerator equal to the number of days remaining until the first anniversary and a denominator of 365.

(e) Reimbursement of Legal Expenses. The Company shall reimburse Executive for reasonable legal expenses associated with the review of this Agreement, the Change in Control Severance Agreement, and any other documents associated with Executive's acceptance of a position with the Company.

(f) Relocation Expenses – The Company will provide the Executive with an apartment in the Winchester, VA area for up to one (1) year from the Employment Commencement Date. In addition, Executive shall be entitled to reimbursement under the Company's relocation policy which has previously been provided to him.

(g) Indemnification and Insurance – During the term of this Agreement and at all times thereafter, with respect to Executive's service to the Company, Executive shall be entitled to indemnification pursuant to the terms of the Company's By-Laws and applicable law. During the term of this Agreement, and for a period of six years thereafter, with respect to Executive's service to the Company, Executive shall be entitled to indemnification pursuant to the terms of the Company's Directors and Officers Liability Insurance.

7. Effect of Termination

(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 10(a), or at the election of Executive for any reason other than Good Reason, as defined in Section 10(b), the Company shall pay to Executive the compensation and benefits otherwise due and payable to him 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.

(b) Termination for Death or Disability. If Executive's employment is terminated by death or because of Disability, as defined in Section 10(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. Subject to subsections 7(c)(6) and 7(c)(7) below, if Executive's employment is terminated by the Company without Cause, or is terminated by Executive for Good Reason, except during the Change in Control Protection Period (as defined in Executive's Change In Control Severance Agreement), Executive will be entitled to the following Benefits outlined in this section 7(c):

(1) Payment of Accrued Obligations. If Executive is terminated, the Company shall pay to him 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. Subject to subsections 7(c)(6) and 7(c)(7) below, if Executive is terminated, the Company shall pay to him 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 10(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 7(c)(2).

(3) Benefit Continuation. Subject to subsections 7(c)(6) and 7(c)(7) below, if Executive is terminated, commencing on the date immediately following such

Executive's date of termination of employment and continuing for 24 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 Executive under the same type of Company-sponsored group health plan and dental plan (e.g., individual or family coverage) and group life insurance 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.

(4) 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.

(5) Notwithstanding any other provision of this subsection 7(c), the Company's obligation to provide continued coverage (or, in lieu thereof, make a cash payment) pursuant to this subsection 7(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 10(e), are determined to provide coverage at least equivalent in the aggregate to the benefits continued under this subsection 7(c). 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.

(6) Release. The Executive shall not be eligible to receive any Benefits provided in this Section 7(c) (other than payments under Section 7(c)(1)) unless he first executes a written release and agreement substantially in the form attached hereto as Exhibit A and does not revoke such release and agreement within the time permitted therein for such revocation.

(7) 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 7(c)(7), 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 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 Internal Revenue 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 7.

8. Duty to Devote Full Time and Avoid Conflict of Interest. Executive agrees that during the Employment Term Executive shall devote his full-time efforts to his duties as an employee of the Company. Executive further agrees that during the Employment Term Executive shall not, directly or indirectly, engage or participate in any activities which are in conflict with the best interests of the Company. Notwithstanding the foregoing, nothing herein shall preclude Executive from: (i) serving, with the prior written consent of the Company, which consent shall not be unreasonably withheld, as a member of the board of directors or advisory boards (or their equivalents in the case of a non-corporate entity) of non-competing businesses and charitable organizations; (ii) engaging in charitable activities and community affairs; and (iii) managing his personal investments and affairs; provided, however, that the activities set out in clauses (i), (ii) and (iii) shall be limited by Executive so as not to materially interfere, individually or in the aggregate, with the performance of his duties and responsibilities hereunder.

9. Compliance with Rules and Regulations. Executive agrees to comply with the Company's rules, regulations and practices as they may from time to time be adopted or modified, so long as they are uniformly applied to all employees.

10. 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 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) the failure by the Company to continue in effect any employee benefit plan (excluding any equity compensation plan) in which the Executive is participating (or plans providing Executive 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; or the taking of any action, or the failure to act, by the Company or any successor which would adversely affect Executive's continued participation in any of such plans on at least as favorable a basis to him or which would materially reduce his benefits under any of such plans; (4) 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 (5) a material breach by the Company of this Agreement, which breach is not cured within 15 business days after written notice thereof is given to the Company by Executive.

(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 10(b)(2) above), and (2) the greater of (A) Executive's targeted cash bonus for 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 Committee or such other person or persons appointed from time to time by the Committee.

11. 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 the Executive, to the 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.

12. Entire Agreement. This Agreement, together with the Executive's Change In Control Severance Agreement, and the SAR and Restricted Stock Agreements reflecting the grants described in Section 5 above, constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

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

14. 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.

15. 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.

16. Acknowledgment. The 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.

17. 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) 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.

/s/ Anthony J. Cavanna

Name: Anthony J. Cavanna

Title: Chairman of the Board

Executive:

/s/ Ronald W. Kaplan

Name: Ronald W. Kaplan

TREX COMPANY, INC.
CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into as of January 1, 2008 (the "Effective Date") by and between **TREX COMPANY, INC.**, a Delaware corporation (the "Company"), and **RONALD W. KAPLAN**, a key employee of the Company (the "Eligible Employee").

RECITALS:

WHEREAS, the Eligible Employee has been appointed the President and Chief Executive Officer of the Company and will be important in developing and expanding the business and operations of the Company and will possess 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 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) Eligible Employee's willful or grossly negligent misconduct that is materially injurious to the Employer; (2) Eligible Employee's embezzlement or misappropriation of funds or property of the Employer; (3) Eligible Employee's conviction of a felony or the entrance of a plea

of guilty or nolo contendere to a felony; (4) Eligible Employee'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) Eligible Employee's willful failure or refusal by the Eligible Employee 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 Eligible Employee by the Board.

(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 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 (other than, if applicable, any such change directly attributable to the fact that the Employer 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 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 base salary and targeted bonus from the 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.

(5) A material breach by the Employer of this Agreement, which breach is not cured within 15 business days after written notice thereof is given to the Employer by the Eligible Employee

- (n) "Incentive Plan" means the Trex Company, Inc. 2005 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 during the term of the Employment Agreement executed by the Employer and the Eligible Employee contemporaneously herewith.

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 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 in lieu of any other severance or other benefits payable under any plan, program, policy or practice of or agreement or other arrangement between the Eligible Employee and the Company.
- (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) Immediate Vesting of Equity-Based Compensation Awards upon a Change in Control. Subject to subsections (h) and (i) below and Section 4, if the Eligible Employee incurs a Severance during the Change in Control Protection Period, (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 (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 (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 and Severance); provided, however, that,

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.

- (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 immediately prior to 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 substantially in the form attached hereto as Exhibit A 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. If the Eligible Employee's receipt of compensation or benefits under the terms of Section 3 (collectively, a "Payment") would cause the Eligible Employee to become subject to the excise tax imposed under Section 4999 of the Code, the Company shall reduce the Payment to the extent necessary to avoid the application of such excise tax, with the Eligible Employee having the option to elect which component(s) of the Payment are so reduced.
- (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. 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 Section 409A. The parties intend that this Agreement and its performance shall be in compliance with applicable requirements of Section 409A of the Code so as not to subject the Eligible Employee to additions to tax and interest under Section 409A(a)(1)(B). If either party reasonably determines that any payment obligation under this Agreement will cause the Eligible Employee to incur tax obligations under Section 409A(a)(1)(B) of the Code, then the parties shall work together in good faith to adopt amendments to this Agreement or to participate in any available IRS voluntary corrections program, as appropriate to enable the Eligible Employee to avoid such tax obligations.
- (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 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.
- (j) Entire Agreement. This Agreement, together with the Employment Agreement executed contemporaneously herewith, and the SAR and Restricted Stock Agreements reflecting the grants described in the Employment 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.

[Remainder of page intentionally left blank.]

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/ Anthony J. Cavanna
Name: Anthony J. Cavanna
Title: Chairman of the Board

ELIGIBLE EMPLOYEE

/s/ Ronald W. Kaplan
Name: RONALD W. KAPLAN