

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER of the Audit Committee of Keystone Automotive Industries, Inc.

This Amended and Restated Audit Committee Charter (this “Charter”) was adopted by the Board of Directors (the “Board”) of Keystone Automotive Industries, Inc. (the “Company”) on June ___, 2007.

Purpose

The purpose of the Committee shall be to:

- Provide assistance to the Board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to: (i) the integrity of the Company’s financial statements; (ii) the effectiveness of the Company’s internal controls over financial reporting; (iii) the Company’s compliance with legal and regulatory requirements; (iv) the independent registered public accounting firm’s (the “Independent Auditor”) qualifications, independence, engagement, and compensation; (v) and the performance of the Company’s internal audit function and Independent Auditor.
- Prepare the Audit Committee report that SEC proxy rules require to be included in the Company’s annual proxy statement.
- Oversee the Company’s whistleblower policy and procedures.

In fulfilling its purpose, it is the responsibility of the Committee to maintain free and open communication between the Committee, the Independent Auditor, the internal auditors, and management of the Company, and to determine that all parties are aware of their responsibilities.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

Membership

The Board hereby appoints an Audit Committee (the “Committee”) of at least three members, consisting entirely of independent directors of the Board, and shall designate one member as

chairperson or delegate the authority to designate a chairperson to the Committee. For purposes hereof, members shall be considered independent as long as they satisfy all of the independence requirements for Board Members as set forth in the NASDAQ Marketplace rules, the Corporate Governance Principles adopted by the Board, and Section 10A-(m)(3)(A) of the Exchange Act, and Rule 10a-3(b)(1) promulgated thereunder. If a member of the Committee ceases to be independent for reasons outside the member's reasonable control, then the member may remain on the Committee until the earlier of the Company's next annual stockholders meeting or one year from the occurrence of the event that caused the member to cease to be independent. This Charter governs the operations of the Committee.

The members of the Committee, including the Chairperson of the Committee, shall be appointed by the Board. Each member of the Committee shall be financially literate, or become financially literate within a reasonable period of time, and at least one member shall be an "audit committee financial expert," as defined by the rules of the Securities and Exchange Commission ("SEC"). Committee members may be removed from the Committee, with or without cause, by the Board. Any action taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

Members shall not serve on more than three public company audit committees (including the Committee) simultaneously.

The Committee shall meet at least quarterly. The Committee shall meet separately and periodically with management, the personnel responsible for the internal audit function, and the Independent Auditor. The Committee shall report regularly to the Board of Directors with respect to its activities.

Meetings & Procedures

The Chairperson, or in his absence, a Committee member designated by the Chairperson, shall be responsible for: (i) calling and scheduling meetings, (ii) setting agendas, (iii) the preparation and distribution in advance of meetings of appropriate reports, documents and other information required by the Committee members to make informed judgments and decisions on the issues on the agenda, and (iv) presiding over meetings.

A special meeting can be called by the Chairperson or by a majority of the Committee Members. The Committee shall have the authority to establish by resolution any procedures regarding the business of the Committee as it considers appropriate so long as they are not in conflict with any: (i) applicable law, rule, or regulation, (ii) applicable provision of the Company's bylaws, or (iii) any applicable rule, resolution, or procedure established by the Board.

The Committee shall meet on a regularly scheduled basis at least two times a year and more frequently as the Committee deems necessary or desirable. Regular meetings of the Committee shall coincide with the regularly scheduled meetings of the Board, unless the Committee determines otherwise. Notwithstanding the above, at least one time annually, the Committee shall meet in executive session.

The secretary of the Company shall record the minutes of the meeting in appropriate detail, unless: (i) the Chairperson appoints another person to record the minutes, (ii) the presence of the secretary at the meeting would create a conflict of interest, or (iii) the Committee is meeting in executive session, in which event the Chairperson or a Committee member designated by the Chairperson shall record the minutes of such executive session.

- The Committee shall only act on the affirmative vote of a majority of the members at a meeting duly called and held (whether in person, by teleconference, or otherwise), by unanimous written consent, or by any other means allowed by applicable laws, rules, and regulations.
- The Committee may establish subcommittees consisting of one or more Committee members to carry out such duties as the Committee shall delegate.
- Committee meetings are generally open to any member of the Board unless otherwise stipulated by the Chairperson of the Committee. Observing Board members shall not participate in any discussion or deliberation unless invited to do so by the Chairperson of the Committee, and in no event shall they be entitled to vote.
- The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor or the internal auditor, any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any non-management Director who is not a Committee Member.
- The Committee, without the approval of the Board or management, shall: (i) have complete access to Company officers and other managers to discuss the business in general or specific issues, (ii) have access to administrative and secretarial services in the Company, and (iii) have the authority to engage independent legal, financial or other advisors as they deem appropriate. The fees and related expenses incurred for such advisors and by Committee Members in carrying out the related activity shall be either paid directly by the Company or reimbursed to the Committee Members, as applicable.
- Any action duly taken by the Committee, the Chairperson or a Committee Member shall be valid and effective even if it is later determined that one or more of the Committee Members taking such action does not meet the requirements for membership on the Committee as set forth above.
- The Chairperson of the Committee shall report regularly to the Board on the Committee's activities and actions taken.
- The Committee shall set hiring policies for employees or former employees of the Independent Auditor.

Duties and Responsibilities

The Committee has the responsibilities and powers set forth in this Charter. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining internal controls over financial reporting. The Independent Auditor is responsible for auditing the Company's annual financial statements and management's annual assessment of the effectiveness of internal controls over financial reporting, and for reviewing the Company's unaudited interim financial statements.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee will take appropriate actions to monitor the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal duties and responsibilities of the Committee. These are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

- The Committee shall be directly responsible for the appointment, compensation, retention, termination, evaluation, and oversight of the work of the Independent Auditor (including resolution of disagreements between management and the Independent Auditor regarding the application of accounting principles, financial reporting and internal controls-related services) for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company, and the Independent Auditor shall report directly to the Committee.
- At least annually, the Committee shall obtain and review a report by the Independent Auditor describing: (i) the firm's internal quality control procedures; (ii) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships, consistent with Independence Standards Board, Standard 1, between the Independent Auditor and the Company (to assess the Independent Auditor's independence).
- After reviewing the foregoing report and the Independent Auditor's work throughout the year, the Committee shall evaluate the Independent Auditor's qualifications, performance and independence. Such evaluation should include the review and evaluation of the lead audit partner and take into account the opinions of management and the Company's personnel responsible for the internal audit function.
- The Committee shall determine that the Independent Auditor has a process in place to address the rotation of the lead audit partner and other audit partners serving the Company as required under the SEC independence rules.

- The Committee shall pre-approve all audit and non-audit services provided by the Independent Auditor, including specific pre-approval of internal controls-related services and shall receive certain disclosure, documentation, and discussion of non-prohibited tax services by the independent registered public accountant based on Rule 3524 promulgated by the Public Company Accounting Oversight Board (“PCAOB”). The Committee shall not engage the Independent Auditor to perform non-audit services proscribed by law or regulation. The Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.
- The Committee shall discuss with the internal auditors and the Independent Auditor the overall scope and plans for their respective audits, including the adequacy of staffing and budget or compensation.
- The Committee shall regularly review with the Independent Auditor any audit problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of the Independent Auditor’s activities or access to requested information, and management’s response. The Committee should review any accounting adjustments that were noted or proposed by the Independent Auditor but were “passed” (as immaterial or otherwise); any communications between the audit team and the Independent Auditor’s national office respecting auditing or accounting issues or internal controls-related issues presented by the engagement; and any “management” or “internal control” letter issued, or proposed to be issued, by the Independent Auditor to the Company that is in addition to its audit report on the effectiveness of internal controls over financial reporting.
- The Committee shall meet to review and discuss the quarterly financial statements, including Management’s Discussion and Analysis of Financial Condition and Results of Operations, with management and the Independent Auditor prior to the filing of the Company’s Quarterly Report on Form 10-Q. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent registered public accountants under the standards of the PCAOB in the United States.
- The Committee shall meet to review and discuss the annual audited financial statements, including Management’s Discussion and Analysis of Financial Condition and Results of Operations, with management and the Independent Auditor prior to the filing of the Company’s Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K). Also, the Committee shall discuss the results of the annual audit and any matters required to be communicated to the Committee by the Independent Auditor under the standards of the PCAOB (United States).
- The Committee’s review of the financial statements shall include: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles, and major issues as to the adequacy of the Company’s internal controls

over financial reporting and any specific remedial actions adopted in light of significant deficiencies or material weaknesses; (ii) discussions with management and the Independent Auditor regarding significant financial reporting issues and judgments made in connection with the preparation of the financial statements and the reasonableness of those judgments, including analyses of the effects of the application of alternative Generally Accepted Account Principles (“GAAP”) on the financial statements; (iii) consideration of the effects of regulatory and accounting initiatives, as well as off-balance sheet entities, liabilities and contingencies on the financial statements; (iv) consideration of the judgment of both management and the Independent Auditor about the quality, not just the acceptability, of accounting principles; and (v) the clarity of the disclosures in the financial statements.

- The Committee shall receive and review a report from the Independent Auditor, prior to the filing of the Company’s Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K), on all critical accounting policies and practices of the Company; all material alternative treatments of financial information within GAAP that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Independent Auditor; and other material written communications between the Independent Auditor and management.
- The Committee shall, based on the review and discussions, and based on the disclosures received from the Independent Auditor regarding its independence and discussions with the Independent Auditor regarding such independence, determine whether to recommend that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year that is the subject of the audit.
- The Committee shall review and discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- The Committee shall review management’s report on its assessment of the effectiveness of internal controls over financial reporting as of the end of each fiscal year and the Independent Auditor’s report on (i) management’s assessment and (ii) the effectiveness of internal controls over financial reporting.
- The Committee shall discuss with management, the internal auditors, and the Independent Auditor management’s process for assessing the effectiveness of internal controls over financial reporting under Section 404 of the Sarbanes-Oxley Act, including any significant deficiencies or material weaknesses identified.
- The Committee shall discuss with the Independent Auditor the characterization of deficiencies in internal controls over financial reporting and any differences between management’s assessment of the deficiencies and the Independent Auditor’s assessment. The Committee shall also discuss with management its remediation plan to address internal controls deficiencies. The Committee shall review the disclosures describing any identified material weaknesses and management’s remediation plans for clarity and completeness.

- The Committee shall discuss with management its process for performing its required quarterly certifications under Section 302 of the Sarbanes-Oxley Act.
- The Committee shall discuss with management, the internal auditors, and the Independent Auditor any: (i) changes in internal controls over financial reporting that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting and (ii) any other changes in internal controls over financial reporting that were considered for disclosure in the Company's periodic filings with the SEC.
- The Committee shall review with senior management the Company's overall anti-fraud programs and controls.
- The Committee shall review the information technology requirements of the Company, particularly with regard to the role of information technology for internal controls.
- The Committee shall discuss with the Company's General Counsel or outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements. The Committee shall receive any corporate attorneys' reports of evidence of a material violation of securities laws or breaches of fiduciary duty by a director or officer of the Company.
- The Committee shall discuss the Company's policies with respect to risk assessment and risk management, including the risk of fraud. The Committee also shall discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- The Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- The Committee shall set clear hiring policies for employees or former employees of the independent registered public accountants that meet the SEC regulations and the NASDAQ Marketplace rules.
- The Committee shall determine the appropriate funding needed by the Committee for payment of: (i) compensation to the Independent Auditor engaged for the purpose of preparing or issuing audit reports or performing other audit, review, or attest services for the Company; (ii) compensation to any advisers employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively. The Committee also shall discuss with the Independent Auditor its observations related to the effectiveness of the Committee.

- The Committee shall review and reassess the Charter at least annually and obtain the approval of the Board of Directors.

Further, auditing literature, particularly Statement of Accounting Standards No. 71, defines the term “review” to include a particular set of required procedures to be undertaken by independent auditors. The members of the Committee are not independent auditors, and the term “review” as used in this Charter is not intended to have that meaning and should not be interpreted to suggest that the Committee members can or should follow the procedures required of auditors performing reviews of financial statements.