

Audit Committee Charter

Composition of the Audit

The Audit Committee of Beacon Roofing Supply, Inc. (the “Company”) shall be comprised of at least three directors (as determined from time to time by the Board), each of whom shall meet the independence requirements of Section 10A(m)(3) of and Rule 10A-3 under the Securities Exchange Act of 1934 (the “Exchange Act”), the Sarbanes-Oxley Act of 2002 (the “SOA”), The Nasdaq Stock Market, Inc., and all other applicable law. The Board shall determine that each member of the Audit Committee is able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement, and that at least one member of the Audit Committee have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a Chief Executive Officer (the “CEO”), Chief Financial Officer (the “CFO”) or other senior officer with financial oversight responsibilities, as each such qualification is interpreted by the Board in its business judgement. In addition, to the extent practicable, at least one member of the Audit Committee shall be an “audit committee financial expert” as such term is defined by the rules of the Securities and Exchange Commission (the “SEC”).

No member of the Audit Committee may receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company other than director’s fees. Members shall not serve on more than three public company audit committees simultaneously.

Directors shall be appointed annually to the Audit Committee by the Board and shall serve at the pleasure of the Board. The Audit Committee shall designate one of its members as its Chairperson. The Chairperson may be removed by the Audit Committee in its discretion.

Purposes of the Audit Committee

The primary purposes of the Audit Committee are to:

1. assist with the Board oversight of (i) the accounting and financial reporting processes of the Company, its system of internal control, and the audits of the financial statements, (ii) the independent auditors’ qualifications, performance and independence, (iii) the performance of the Company’s internal audit function, and (iv) the company’s compliance with accounting, financial and related rules and regulations and the Company’s code of conduct;
2. review and appraise the fairness of material related party transactions; and
3. prepare the report required to be prepared by the Audit Committee pursuant to the rules of the SEC for inclusion in the Company’s annual proxy statement.



In fulfilling its purpose, it is the responsibility of the Audit Committee to maintain free and open communication between the Board, Audit Committee and independent auditors, internal audit and management of the Company.

The independent auditors for the Company are accountable to the Board and the Audit Committee, as representatives of the stockholders. The Audit Committee is directly responsible for the appointment, retention, compensation and oversight of the work of the independent auditors (including resolving disagreements between management and the independent auditors regarding financial reporting). The independent auditors shall report directly to the Audit Committee.

The independent auditors shall submit to the Audit Committee annually a formal written statement (the “Auditors’ Statement”) describing: the auditors’ internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with such issues; and (to assess the auditors’ independence) all relationships between the independent auditors and the Company, including at least the matters set forth in PCAOB Ethics and Independence Rule 3526.

The Audit 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 Audit Committee will take appropriate actions to assure management has set the overall corporate “tone” for quality financial reporting, sound business risk practices, and ethical behavior.

In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of the Company and are not, and do not represent themselves to be, accountants or auditors by profession, including in respect of auditor independence. Each member of the Audit Committee shall be entitled to rely on (a) the integrity of those persons and organizations within and outside the Company from which he or she receives information, (b) the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board), and (c) representations made by the Company’s management as to any audit and other non-audit services provided by the Company’s independent auditors.

Meetings of the Audit Committee

The Audit Committee shall meet once every fiscal quarter, or more frequently if circumstances dictate, to discuss with management the annual audited financial statements and quarterly financial statements, as applicable. The Audit Committee shall set aside adequate time to meet separately, at least annually, with each of management, corporate counsel, internal audit and the independent auditors. The Audit Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.



A majority of the members of the entire Audit Committee shall constitute a quorum. The Audit Committee shall act on the affirmative vote of a majority of members present at a meeting either in person or telephonically at which a quorum is present. Without a meeting, the Audit Committee may act by unanimous written consent of all members.

Duties and Powers of the Audit Committee

To carry out its purposes, the Audit Committee shall have the following duties and powers:

A. with respect to the independent auditors,

1. to directly appoint, retain, compensate, evaluate, and terminate the independent auditors, including sole authority to approve all audit engagement fees and terms;
2. to pre-approve all audit and permissible non-audit services to be provided by the independent auditors;
3. to ensure that the independent auditors prepare and deliver annually an Auditors' Statement (it being understood that the independent auditors are responsible for the accuracy and completeness of this Statement), and to discuss with the independent auditors any relationships or services or the objectivity and independence of the Company's independent auditors and to take other appropriate action to oversee the independence of the independent auditors;
4. to obtain the independent auditors in connection with any audit a timely report relating to the Company's annual audited financial statements describing all critical accounting policies and practices used, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditors, and any material written communications between the independent auditors and management, such as any "management" letter or schedule of unadjusted difference;
5. to review the independent auditor's attestation and report on management's internal control report; and
6. to discuss with management and the independent auditors the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner.

B. with respect to the internal auditors,

1. to have internal audit report administratively to the CFO and functionally to the Audit Committee. The approval of the Audit Committee is required prior to the appointment or

termination of the Vice President of Internal Audit;

2. to approve the internal audit charter and take actions it deems advisable in connection with the evaluation of the performance, responsibilities, budget and staffing of the Company's internal audit function, including the scope of the annual internal audit plan. The Audit Committee will review any significant issues, as necessary, with the internal and independent auditors and as appropriate, management's actions for remediation; and
3. to review the effectiveness of the internal audit function.

C. with respect to financial reporting principles and policies,

1. to consider any reports or communications (and management's responses thereto) submitted to the Audit Committee by the independent auditors required by it and referred to in Public Company Accounting Oversight Board Auditing Standard 1301;
2. to meet with management, internal audit and the independent auditors:
 - to discuss the scope of the annual audit;
 - to discuss the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", prior to the filing of the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q;
 - to discuss, in association with the review of the interim financial statements, the results of the quarterly review and any other matters required to be communicated to the Audit Committee by the independent auditors under professional standards;
 - to discuss, in association with the audit of the annual financial statements, the results of the annual audit any other matters required to be communicated to the Audit Committee by the independent auditors under generally accepted auditing standards including their judgement about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgements, and the clarity of the disclosures in the financial statements;
 - to discuss any significant matters arising from any audit, including any audit problems or difficulties, whether raised by management, internal audit and the independent auditors, relating to the Company's financial statement;
 - to discuss any difficulties the independent auditors encountered in the course of the audit, including any restrictions on their activities or access to requested information and any significant disagreements with management;

- to discuss as appropriate (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and (b) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgements made in connection with the presentation of the financial statements, including analyses of the effect of alternative GAAP methods on the financial statements and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
 - to discuss any major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control over financial reporting; and
 - to discuss and monitor the Company's Enterprise Risk Management, including but not limited to, issues relating to cybersecurity and fraud detection and prevention.
3. to inquire of the Company's CEO and CFO as to the existence of any significant deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data, or any material that involves management or other employees who have a significant role in the Company's internal controls, and to review disclosures made to the Audit Committee by the Company's CEO or CFO during their certification process for the Form 10-K or Form 10-Q with respect to the Company's internal controls;
 4. to obtain from the independent auditors assurance that the audit was conducted in a manner consistent with the Securities Exchange Act of 1934, as amended, which sets forth certain procedures to be followed in any audit of financial statements required under the Securities Exchange Act of 1934;
 5. to discuss and review the type and presentation of information to be included in earnings press releases;
 6. to discuss and review the type and presentation of information to be included in earnings press releases;
 7. to establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters; and
 8. to confirm with management that it has not hired employees or former employees of the independent auditors which would cause such auditors not to be independent under Rule 2-01(c)(2)(iii) of Regulation S-X.

- D. with respect to reporting and recommendations;
1. to recommend, based upon the review and discussion of the annual financial statements with management and the independent auditors, to the Board that the annual financial statements be included in the Company's Annual Report on Form 10-K;
 2. to review this Charter at least annually and recommend any changes to the full Board of Directors, as required by SEC regulations;
 3. to review and approve all related party transactions;
 4. to discuss the Company's policies with respect to risk assessment and risk management, including the risk assessment and risk management steps it has taken to monitor and control such exposures;
 5. to review periodically the Company's corporate compliance policies or codes of conduct; and
 6. to report its activities to the full Board of Directors on a regular basis and make such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate.

Delegation to Subcommittee

The Audit Committee may, in its discretion, form and delegate authority to a subcommittee of the Audit Committee when appropriate. The Audit Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Audit Committee at its next scheduled meeting.

Resources and Authority of the Audit Committee

The Audit Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts and advisors, as it deems necessary or appropriate, without seeking approval of the Board or management.

Limitation of Audit Committee's Role

The function of the Audit Committee is oversight. While the Audit Committee has the duties and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and



accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company, as well as the system of internal controls. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements and opining on the system of internal controls.