



Beacon Roofing Supply, Inc.

Compensation Committee Charter

Purpose

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) has the responsibility for the compensation of executive officers of the Company. The Committee reviews and approves the appropriate level of compensation for the Company’s executive officers, excluding the Chief Executive Officer (“CEO”), which the Committee reviews and recommends to the Board. The Committee administers and makes awards under the Company’s equity based incentive plan and in the case of the executive officers, the annual cash incentive plans. The Committee periodically reviews the annual cash incentive plans provided to employees in sales, functional and operational roles. The Committee shall review and discuss with the Company’s management the Compensation Discussion and Analysis (“CD&A”) and determine whether to recommend to the Board that the CD&A be included in the Company’s Proxy Statement. The Committee shall also prepare a Compensation Committee Report for inclusion in the Company’s Proxy Statement, in accordance with applicable rules and regulations of the Securities and Exchange Commission (“SEC”). The Committee reviews and recommends to the Board the Company’s submissions to stockholders on executive compensation matters and considers the results of stockholder advisory votes on executive compensation matters and the changes, if any, that may be warranted.

Composition

The Committee will consist of at least three directors, all of whom meet the independence requirements for board members and for members of a compensation committee contained in the Nasdaq Stock Market (“NASDAQ”) listing standards, as determined by the Board. All Committee members shall also be “non-employee directors” as defined by Rule 16b-3 under the Securities Exchange Act of 1934, and at least two members shall be “outside directors” as defined by Section 162(m) of the Internal Revenue Code. The Board will appoint the Committee members annually. Members may be removed by the Board at any time in its discretion, but shall otherwise serve until a successor has been named. The Chair will be appointed by the Committee and may be removed by the Committee in its discretion. No director shall serve as a member of the Committee if such director has been or is currently a part of an interlocking directorate in which the CEO or another executive officer of the Company serves on the compensation committee of another company that employs such director. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate, provided the subcommittees are composed entirely of outside directors or management, to the extent provided for in any compensation plan.

Duties and Responsibilities

The general responsibilities of the Committee are oversight of executive compensation for the CEO, and the other executive officers, periodic reviews of certain elements of compensation for sales and operations employees, communications with the Board, and communications with shareholders through the Proxy Statement.

- **Equity Incentive Plan Administration:** The Committee shall have full and final authority in connection with the implementation and administration of such plans and shall make recommendations to the Board where stockholder approval of such plans is appropriate or required. In furtherance of the foregoing, the Committee shall, subject to Board approval of the equity-based compensation for the Company’s CEO and directors, in its sole discretion, grant equity awards under the Company’s equity incentive plan to employees, executives and directors, pursuant to the terms and conditions determined by the Committee.

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- **Annual Cash Incentive Compensation:** The Committee shall have full and final authority in connection with the implementation and administration of such plans used for executive officers and shall make recommendations to the Board where stockholder approval of such plans is appropriate or required. The Committee will periodically review annual cash incentive plans for sales, functional and operational roles and annually approves the aggregate cash incentive payout to employees in such plans.
- **Director Compensation:** The Committee shall make recommendations to the Board with respect to the compensation of directors.
- **CEO Compensation:** The Committee annually shall make recommendations to the Board with respect to the compensation of the CEO. In so doing, the Committee considers the Board's performance evaluation of the CEO, the Company's executive compensation policies and practices, the Company's performance and relative shareholder return, the compensation of similarly situated executives at comparable companies, employment agreements, severance arrangements, or change in control provisions as appropriate, any special or supplemental benefits and the compensation given to the CEO in past years. The CEO may not be present during any deliberations or voting on his or her compensation.
- **Executive Officer Compensation:** The Committee annually shall review, taking into account the CEO's recommendations, and approve the compensation of the executive officers of the Company, other than the CEO. In so doing, the Committee considers the CEO's performance evaluation of each executive officer, the Company's executive compensation policies and practices, the Company's performance and relative shareholder return, the compensation of similarly situated executives at comparable companies, employment agreements, severance arrangements, or change in control provisions as appropriate, any special or supplemental benefits and the compensation given to each executive officer in past years.
- **Other Agreements and Executive Compensation Policies and Practices:** The Committee shall review and approve any severance, change in control, employment or similar agreements that are entered into between the Company and its executive officers, except for the CEO, which the Committee reviews and recommends to the Board. The Committee shall review and approve the Company's executive compensation policies and practices, except for the CEO, which the Committee reviews and recommends to the Board.
- **Compensation Consultants, Legal Counsel and Other Advisers:** The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any consulting firm, legal counsel or other adviser retained by the Committee. The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration the factors set forth in the rules of the SEC and NASDAQ. The Committee shall review such factors with respect to each adviser at least annually.
- **Charter:** The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- **Meetings:** The Committee shall have at least two (2) regularly scheduled meetings but will meet as often as necessary to carry out its responsibilities. Meetings may be called by the Chairman of the Committee and/or the CEO of the Company. The Corporate Secretary will maintain one set of all Committee minutes as Corporate records and will be provided a set of all Committee correspondence. Reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board approved by the Committee.

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- **Compensation Risk Assessment:** The Committee shall annually evaluate the compensation policies and practices of all employees to ensure they do not pose risks that are reasonably likely to have a material adverse effect on the Company.
- **Stock Ownership Guidelines:** The Committee shall establish and periodically review stock ownership and retention guidelines for executive officers.
- **Clawback / Recoupment:** The Committee shall administer the Company's incentive recoupment policy
- **Self-Assessment:** The Committee shall periodically perform a self-assessment to review its own performance.
- **Miscellaneous:** The Committee shall have such other duties as delegated by the Board.