

**INSTALLED BUILDING PRODUCTS, INC.**  
**RELATED-PARTY TRANSACTION POLICY**

**Amended and Restated as of March 9, 2016**

**Policy Statement**

Installed Building Products, Inc. (the “**Company**”) recognizes that Related-Party Transactions (as defined below) may raise questions among stockholders as to whether those transactions are consistent with the best interests of the Company and its stockholders. It is the Company’s policy to enter into or ratify Related-Party Transactions only when the Board of Directors (the “**Board**”) of the Company, acting through the Audit Committee (the “**Audit Committee**”) of the Board or as otherwise described herein, determines that the Related-Party Transaction in question is in, or is not inconsistent with, the best interests of the Company and its stockholders, including, but not limited to, situations where the Company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources from, or when the Company provides products or services to, Related Parties (as defined below) on an arm’s-length basis on terms comparable to those provided to unrelated third parties. Therefore, the Company has adopted the procedures set forth below for the review, approval or ratification of Related-Party Transactions.

This policy has been approved by the Board. The Audit Committee will review, and may amend, this policy from time to time.

**Related-Party Transactions**

For the purposes of this policy:

“**Related-Party Transaction**” means a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant and the amount involved exceeds \$120,000, and in which any Related Party had, has or will have a direct or indirect material interest.

“**Related Party**” means:

- any person who is, or at any time since the beginning of the Company’s last fiscal year was, a director or executive officer of the Company or a nominee to become a director of the Company;
- any person who is known to be the beneficial owner of more than five percent (5%) of any class of the Company’s voting securities; and
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the director, executive officer, nominee or more than five percent (5%) beneficial owner, and any person (other than a tenant or employee) sharing the household of such director,

executive officer, nominee or more than five percent (5%) beneficial owner.

### **Identification of Related Parties**

On an annual basis, each director and executive officer shall submit to the Company's General Counsel (the "**General Counsel**") the following information: (a) a list of his or her immediate family members (as defined above); (b) for each immediate family member listed and, in the case of a director, for the director, the person's employer and job title or brief job description; (c) for each immediate family member listed and the director or executive officer, each firm, corporation or other entity in which such person is a director, a general partner or principal or in a similar position or in which such person has a ten percent (10%) or greater beneficial ownership interest; and (d) for each person listed and the director or executive officer, each charitable or non-profit organization for which the person serves as a director, trustee or in a similar capacity.

Any person nominated to stand for election as a director shall submit to the General Counsel the information described above no later than the date of his or her nomination.

Any person who is appointed as a director or an executive officer shall submit to the General Counsel the information described above prior to such person's appointment as a director or executive officer, except in the case of an executive officer where due to the circumstances it is not practicable to submit the information in advance, in which case the information shall be submitted as soon as reasonably practicable following the appointment.

Directors and executive officers are expected to promptly notify the General Counsel of any updates to the information described above as it relates to such person. Directors and executive officers are also expected to promptly notify the General Counsel of any proposed or existing Related-Party Transaction of which they have knowledge.

### **Dissemination of Related Party Master List**

The General Counsel shall compile the information described above and, together with the Chief Financial Officer and the Chief Accounting Officer, shall create a master list of Related Parties. The General Counsel shall distribute the master list (and any updates received) to the Chief Financial Officer and the Chief Accounting Officer. In addition, the General Counsel shall distribute the portion of the master list containing the names of immediate family members of directors, executive officers and nominees to the director of human resources. The recipients of the master list shall utilize the information contained therein in conjunction with their respective departments and areas of responsibility to effectuate this policy.

### **Approval Procedures**

A transaction that is identified as a potential Related-Party Transaction prior to the consummation thereof or amendment thereto shall be consummated or amended in accordance with the following:

1. Prior to entering into a potential Related-Party Transaction (a) the Related Party, (b) the director, executive officer, nominee or beneficial owner who is an immediate family member of the Related Party or (c) any member of management who has knowledge of the transaction shall provide notice to the General Counsel or the Chief Financial Officer of the facts and circumstances of the proposed

transaction, including: (i) the Related Party's relationship to the Company and interest in the transaction; (ii) the material facts of the proposed transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the principal amount thereof; (iii) the benefits to the Company of the proposed transaction; (iv) if applicable, the availability of other sources or buyers of comparable products or services; and (v) an assessment of whether the proposed transaction is on terms that are comparable to the terms available to an unrelated third party. The General Counsel or the Chief Financial Officer will assess whether the proposed transaction is a Related-Party Transaction for purposes of this policy.

2. If it is determined that the proposed transaction is a Related-Party Transaction, the proposed Related-Party Transaction shall be submitted to the Audit Committee for consideration at the next Audit Committee meeting, or in those instances in which it is not practicable or desirable for the Company to wait until the next Audit Committee meeting, to the Chair of the Audit Committee (who may approve such Related-Party Transaction in accordance with this policy). Any such approval by the Chair shall be reported to the Audit Committee at its next regularly scheduled meeting.
3. The Audit Committee (or where submitted to the Chair of the Audit Committee, the Chair) shall consider all of the relevant facts and circumstances available to the Audit Committee (or the Chair), including (if applicable), but not limited to: the benefits to the Company; the impact on a director's independence in the event the Related Party is a director or an immediate family member of a director; the availability of other sources or buyers of comparable products or services; the terms of the transaction; whether the transaction is on terms comparable to those that could be obtained in an arm's-length transaction with an unrelated party; and the extent of the Related Party's interest in the transaction (together, the "**Certain Considerations**"). No member of the Audit Committee shall participate in any review, consideration or approval of any Related-Party Transaction with respect to which such member or any of his or her immediate family members is the Related Party. The Audit Committee (or the Chair) shall approve only those Related-Party Transactions that are in, or are not inconsistent with, the best interests of the Company and its stockholders, as the Audit Committee (or the Chair) determines in good faith.

### **Ratification Procedures**

In the event a director, executive officer or other member of management of the Company becomes aware of a Related-Party Transaction that has not been previously approved or ratified under this policy, he or she shall promptly notify the General Counsel, the Chief Financial Officer or the Chief Accounting Officer to facilitate the following review:

1. If the transaction is pending or ongoing, it will be submitted to the Audit Committee promptly, and the Audit Committee shall consider all of the relevant facts and circumstances available to the Audit Committee, including (if applicable), but not limited to, the Certain Considerations. Based on the conclusions reached, the Audit Committee shall evaluate all options, including,

but not limited to, ratification, amendment or termination of the Related-Party Transaction; and

2. If the transaction is completed, the Audit Committee shall evaluate the transaction, taking into account the same factors described above, to determine if rescission of the transaction and/or any disciplinary action is appropriate. The Audit Committee may request that the General Counsel, the Chief Financial Officer or the Chief Accounting Officer evaluate the Company's procedures to ascertain the reason the transaction was not submitted to the Audit Committee for prior approval and whether any changes to these procedures are recommended.

### **Review of Ongoing Transactions**

At least once each fiscal year, the Audit Committee shall review any previously approved or ratified Related-Party Transactions that remain ongoing and have a remaining term of more than six months. Based on all relevant facts and circumstances, taking into consideration the Company's contractual obligations, the Audit Committee shall determine if it is in the best interests of the Company and its stockholders to continue, modify or terminate the Related-Party Transaction.

### **Charitable Contributions**

Any proposed charitable contributions by the Company to a charitable or non-profit organization identified on the master list of Related Parties shall be subject to prior review and approval by the Audit Committee at the next Audit Committee meeting.

### **Nepotism Policy**

No immediate family member of a director or executive officer shall be hired as an employee of the Company unless the employment arrangement is approved by the Audit Committee at the next Audit Committee meeting. In the event a person becomes a director or executive officer of the Company and an immediate family member of such person is already an employee of the Company, no material change in the terms of employment, including compensation, may be made without the prior approval of the Audit Committee (except, if the immediate family member is himself or herself an executive officer of the Company, any proposed change in the terms of employment shall be reviewed and approved in the same manner as other executive officer compensatory arrangements).