
INSTALLED BUILDING PRODUCTS, INC.
AUDIT COMMITTEE CHARTER

The Board of Directors (the “**Board**”) of Installed Building Products, Inc. (the “**Company**”) has established an Audit Committee of the Board (the “**Committee**”) with the authority and duties described herein.

Purpose

The purpose of the Committee is to assist the Board’s oversight of:

- the adequacy and integrity of the Company’s financial statements and financial reporting processes and procedures;
- the integrity of the Company’s financial statements;
- the performance of the Company’s systems of internal accounting and financial control, the Company’s internal audit function and the annual independent audit of the Company’s financial statements; and
- the Company’s compliance with legal and regulatory requirements.

The Committee shall have sole authority and direct responsibility over the selection and engagement of the Company’s independent registered public accounting firm or independent auditor, and shall evaluate such firm’s qualifications, independence and performance.

The Committee shall also prepare the audit committee report to be included in the Company’s annual proxy statement.

Responsibilities and Procedures

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.

1. Independent Auditors

- a. Be directly responsible for the appointment, fees, retention, evaluation and oversight of the work of the independent auditors, who shall report directly to the Committee, and resolve any disagreements between management and the independent auditors regarding financial reporting;
- b. Preapprove all audit services to be provided to the Company, whether provided by the principal auditor or other firms, and all other services to be provided to the Company by the independent auditor, except that de minimis non-audit services may be approved in accordance with applicable law or rules;

- c. Discuss with the independent auditors the scope of the annual audit and the annual audited financial statements;
- d. Ensure that the independent auditors prepare and deliver annually a statement regarding the auditor's independence, and discuss with the independent auditors any relationships or services disclosed in this statement that may impact the quality of audit services or the objectivity and independence of the Company's independent auditors;
- e. At least annually, obtain and review a report by the Company's independent auditors 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, within the preceding five years, respecting one or more independent audits carried out by such firm, and any steps taken to deal with any such issues; (iii) to assess the firm's independence, all relationships between such firm and the Company; and (iv) to ensure the rotation of the lead, concurring and other audit partners as required by law;
- f. Obtain a report from the independent auditors, in connection with the Company's annual audited financial statements, describing: (i) critical accounting policies and practices used; (ii) all alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management; (iii) ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditors; and (iv) any other material written communications between the independent auditor and the Company's management; and
- g. Review with the independent auditor any audit problems or difficulties and management's response.

2. *Internal Audit Function*

- a. Review the responsibilities, plan, budget and staffing of the Company's internal audit function and the selection, evaluation, compensation and removal of the director of the internal audit department;
- b. Review with the internal audit department the status and results (including remedial actions) of audit projects; and
- c. Review and set the scope of reports prepared by the internal audit department and management's responses.

3. *Controls and Procedures*

- a. Oversee the Company's internal controls, including the Company's disclosure controls and procedures and internal control over financial reporting, on behalf of the Board. The Committee shall: (i) discuss with management, the independent auditors and the head of the internal audit department the adequacy and effectiveness of the Company's internal controls (including any material weaknesses, significant deficiencies, significant changes to internal controls and any fraud whether or not material that involves management or other employees who have a significant role in the Company's internal controls); (ii) if applicable, review the reports of the chief executive officer and chief financial officer required by Rule 13a-14 of the Exchange Act; and (iii) if applicable, prior to the filing of

the Company's Annual Report on Form 10-K, review the independent auditors' report on the Company's internal control over financial reporting;

- b. Oversee the Company's compliance with applicable laws and regulations and with the Company's Code of Conduct and receive periodic compliance reports from the Company's legal and compliance officers;
- c. Discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, and discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
- d. Discuss with the Company's general counsel any significant legal, compliance or regulatory matters that may have a material effect on the financial statements of the Company's business or compliance policies, including material notices to or inquiries received from governmental agencies and evidence of breaches of fiduciary duty or other violations of the Company's Code of Conduct;
- e. Establish and oversee the procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters, and review such complaints;
- f. Establish hiring policies of the Company for employees or former employees of the Company's independent auditors; and
- g. Review all "**related party transactions**" (defined as transactions that would be required to be disclosed pursuant to Item 404 of Regulation S-K) on an ongoing basis pursuant to the Company's Related-Party Transaction Policy.

4. *Financial Reporting*

- a. Review and discuss the annual and quarterly financial statements with management and the independent auditors, including the specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";
- b. Discuss with management generally the type and presentation of information to be disclosed in the Company's earnings press releases, as well as financial information and earnings guidance provided to research analysts; and
- c. Discuss the types of financial information provided to lenders.

Composition

1. *Number*

The membership of the Committee shall consist of no fewer than three directors of the Company, except that the Board may rely on the phase-in provisions for initial public offerings, which permits a fewer number of directors on the Committee during this phase-in period.

2. *Independence*

If required by any applicable rule of the New York Stock Exchange ("NYSE") or the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), each member of the Committee shall

be an “**Independent Director**” (as that term is defined by such applicable laws or rules), except that the Board may rely upon the phase-in provisions for initial public offerings, if applicable.

3. Financial Literacy and Financial Expertise

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement, at the time of his or her appointment to the Committee (or acquire such ability within a reasonable period of time after his or her appointment). At least one member must have “accounting or related financial management expertise” in accordance with the rules of the NYSE. It is expected that at least one member of the Committee will be an “audit committee financial expert” (as defined by the applicable rules of the Securities and Exchange Commission) and may be the same person as that with “accounting or related financial management expertise.

4. Nomination and Chair

The Committee and its Chair shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee.

5. Compensation

The compensation of Committee members shall be as determined by the Board.

6. Successors and Removal

Each member of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly appointed or until such member’s earlier resignation or removal. The Board may remove members of the Committee with or without cause.

7. Service on Other Audit Committees

It is expected that no member of the Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board: (i) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee; and (ii) discloses such determination either on or through the Company’s website or in the annual proxy statement.

Procedures and Administration

1. Meetings

The Committee shall meet at least four times per fiscal year, or more frequently if circumstances dictate. A majority of the members shall constitute a quorum. The Committee will also meet separately on a periodic basis with management, the internal auditors and the independent auditors to discuss any matters that the Committee or any of these persons or firms believes should be discussed privately. The Committee may invite observers, including any independent advisers, to attend its meetings from time to time as it deems appropriate.

2. Subcommittees

The Committee may form and delegate authority to a subcommittee of one or more of its members when appropriate, provided that the decisions of such subcommittee shall be reported to the full Committee at its next scheduled meeting.

3. Reports to the Board

The Committee shall report regularly to the Board.

4. Charter

The Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

5. Independent Advisors

The Committee shall have the authority to engage independent legal, accounting and other advisors it deems necessary or appropriate to carry out its responsibilities. Such advisors may be the regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay the compensation of such advisors.

6. Investigations

The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company to meet with the Committee or any advisors engaged by the Committee.

7. Action

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

8. Additional Powers

The Committee shall have such other duties as may be delegated to it from time to time by the Board. 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 the 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.

9. Funding

The Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

10. Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter and any applicable rules and regulations of the NYSE. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.