



AUDIT COMMITTEE CHARTER OF LGI HOMES, INC.

Purpose

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of LGI Homes, Inc. (the "Company") is to oversee the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

The primary role of the Committee is to oversee the financial reporting and disclosure process. To fulfill this obligation, the Committee relies on: management for the preparation and accuracy of the Company's financial statements and for establishing effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures and applicable laws and regulations and the Company's independent auditors for an unbiased, diligent audit or review, as applicable, of the Company's financial statements and the effectiveness of the Company's internal controls. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

The Board also recognizes that meeting the responsibilities of an audit committee requires a degree of flexibility. To the extent that procedures included in this Charter go beyond what is required of an audit committee by existing law and regulation, such procedures are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

Composition of the Committee

The Committee shall be comprised of three directors, each of whom (i) meets the NASDAQ listing standards requirement for independence, and (ii) otherwise satisfies the applicable requirements for audit committee service imposed by the Securities Exchange Act of 1934, as amended (together with the rules promulgated thereunder, the "Exchange Act"), or the NASDAQ. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.

At least one member of the Committee shall be an "audit committee financial expert" in accordance with the rules and regulations of the Securities and Exchange Commission, and at least one member (who may also serve as the audit committee financial expert) shall have accounting or related financial management expertise. The designation or determination by the Board of a person as an audit committee financial expert will not impose on such person individually, on the Committee, or on the Board as a whole, any greater duties, obligations or liability than would exist in the absence of such designation or determination. Each member of the Committee shall be financially literate, as determined by the Board. No member of the Committee can have participated in the preparation of the Company's or any of its subsidiaries' financial statements at any time during the past three years. No member of the Committee may serve simultaneously on the audit committee of more than two other public companies. To effectively perform his or her role, each Committee member shall obtain an understanding of the detailed responsibilities of Committee membership as well as the Company's business, operations and risks.

The members of the Committee shall be appointed by the Board, serve for such terms as the Board may determine and may be removed at the Board's discretion.

Meetings

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case, not less than four times a year. The Board shall designate one member of the Committee to serve as its chair. The Committee may delegate any of its responsibilities to the Chair, another Committee member or a subcommittee of Committee members, unless prohibited by law, regulation or NASDAQ listing standard.

The Committee will meet periodically in executive session without management and as a Committee, as well as separately with each of management and the Company's independent auditors. The Committee will report its activities to the Board on a regular basis and make such recommendations with respect to its responsibilities and other matters as the Committee deems necessary or appropriate.

The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

External Advisors

The Committee shall have the sole authority to select, retain and obtain the advice and assistance from outside legal, accounting or such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

The Committee shall also have authority to obtain advice and assistance from any officer or employee of the Company and to require any officer or employee of the Company or the Company's outside counsel or independent auditors to attend meetings of the Committee or to meet with any members of, or advisors to, the Committee.

Duties and Responsibilities

The Committee shall have the following authority and responsibilities:

1. Review and discuss with management and the Company's independent auditors, the Company's annual audited financial statements and quarterly financial statements, in each case prior to the filing or distribution thereof, including the Company's disclosures within (i) the footnotes to the financial statements and (ii) "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee shall make a recommendation to the Board as to whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K and produce the audit committee report required to be included in the Company's proxy statement.
2. Review and discuss with management the Company's earnings press releases, including the type of information, its presentation and the use of any pro forma or non-GAAP financial information as well as earnings guidance provided to analysts and ratings agencies.
3. Be responsible for the appointment, retention, termination, fees paid to and oversight of the Company's independent auditors, as well as the resolution of disagreements between management

and the independent auditors regarding accounting and financial reporting. The Company's independent auditors shall report directly to the Committee.

4. Pre-approve all auditing and permitted non-audit services, including tax services, to be provided to the Company by the Company's independent auditors, subject to the de minimis exceptions for non-audit services which are approved by the Committee prior to the completion of the audit.
5. At least annually, review and discuss with the Company's independent auditors the following matters:
 - a. The report from the independent auditors describing the independent auditors' internal quality control procedures; any issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review, or by inspection, inquiry or investigation by governmental or professional authorities within the preceding five years regarding one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues;
 - b. All relationships between the independent auditors and the Company that may, in the judgment of the Committee, impact the competence or independence of the auditors;
 - c. The auditors' responsibilities under generally accepted auditing standards and the responsibilities of management in the audit process, the overall audit strategy, the scope and timing of the annual audit and any significant risks identified during the auditors' risk assessment procedures;
 - d. Prior to the completion of the independent auditors' annual audit of the Company's year-end financial statements (the "Annual Audit"), a report from the independent auditors, describing (a) all critical accounting policies and practices, (b) any significant changes in the Company's selection or application of accounting principles, (c) alternative treatments of financial information within generally accepted accounting principles for material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors, (d) any significant unusual transactions, adjustments, and judgments and accounting estimates made by management in connection with the preparation of the Company's financial statements, and (e) any audit problems or difficulties, including difficulties encountered by the independent auditors during their audit work (such as restrictions on the scope of their activities or their access to information), any significant disagreements with management and management's response to these problems;
 - e. Other material written communications between the independent auditors and management, such as any management letter and the Company's response thereto, schedule of unadjusted differences;
 - f. The adequacy and effectiveness of the Company's internal controls, including any significant deficiencies or material weaknesses in the design or operation of the Company's internal controls, any material changes in the Company's internal controls, any special audit steps adopted in light of any material control deficiencies, and any fraud involving management or other employees with a significant role in such internal controls; and

- g. Any other matters required to be discussed by PCAOB Auditing Standards No. 16, Communications with Audit Committees.
6. Obtain management's opinion of the performance of the Company's independent auditors.
7. Review and assess the qualifications, performance and independence of the Company's independent auditors, including an evaluation of the lead audit partner and regular rotation of the lead audit partner and other audit partners engaged in the Annual Audit, to the extent required by law.
8. Review and discuss the Company's policies and guidelines with respect to cybersecurity, risk assessment and risk management, including the Company's major financial risk exposures, and the steps management has taken to monitor and control such exposures.
9. Review and discuss with management, the adequacy and effectiveness of the Company's internal controls and management certifications to be included in or attached as exhibits to the Company's annual report on Form 10-K or quarterly report on Form 10-Q.
10. Review and discuss with management any correspondence with the Securities and Exchange Commission relating to the Company's (i) financial statements, (ii) internal controls, (iii) compliance with accounting standards, financial reporting procedures and applicable laws and regulations and/or (iv) filings with the Securities and Exchange Commission.
11. Oversee the hiring of any personnel from the Company's independent auditors in accordance with the hiring restrictions of the Sarbanes-Oxley Act of 2002.
12. Monitor compliance with the Company's Code of Business Conduct and Ethics (the "Code"), and establish procedures for the confidential, anonymous submission of complaints to the Company regarding questionable accounting or auditing matters, internal controls, and Code matters. Periodically review these procedures with management. Investigate, as appropriate, complaints and alleged breaches or violation of the Code and enforce the provisions of the Code.
13. Review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K and the Company's Statement of Policy Regarding Transactions with Related Parties) and any other potential conflict of interest situations.
14. Conduct an annual performance evaluation of the Committee of its duties under this Charter and present the results of the evaluation to the Board.
15. Review and assess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.

Perform such other duties and responsibilities, consistent with this Charter and governing law, delegated to the Committee by the Board.

Powers of the Committee

The Committee shall have all of the powers of the Board that are necessary or appropriate for the Committee to fulfill its purposes, engage external advisors and carry out its duties and responsibilities as set forth in this Charter.