

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
BUILDERS FIRSTSOURCE, INC.**

I. Purpose

The primary function of the Audit Committee (the "Committee") is to assist the Board of Directors of the Company (the "Board") in fulfilling its oversight responsibilities relating to (i) the quality and integrity of the Company's financial reports and other financial information provided by the Company to its stockholders, the public and others; (ii) the Company's compliance with legal and regulatory requirements; (iii) the independent auditors' qualifications, independence and performance and (iv) the performance of the Company's internal audit function, including its systems of internal controls. The Committee's functions also include preparation of the audit committee report required by the Securities and Exchange Commission ("SEC") to be included in the Company's annual proxy statement.

II. Composition

A. Members; Qualifications

The Committee shall consist of three or more directors, as determined from time to time by the Board. The members of the Committee shall be able to read and understand fundamental financial statements, shall satisfy the independence requirements of Rule 10A-3 under the 1934 Act and of Rule 4200(a)(15) of the Nasdaq Stock Market, Inc. ("Nasdaq") and shall be qualified to serve on the Committee pursuant to the requirements of The Nasdaq Stock Market, Inc. ("Nasdaq") and any additional requirements that the Board deems appropriate. To the extent permitted by applicable law, the Committee may delegate authority to any member of the Committee as it deems appropriate.

Each member shall consider the demands on his or her time before accepting a seat on the audit committee. If a member simultaneously serves on the audit committees of more than three public companies, the Board shall determine whether such simultaneous service will impair the ability of such member to effectively serve on the Committee.

B. Appointment, Removal and Replacement

Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

C. Chair

The chairman of the Committee shall be designated by the Board; *provided, however*, that if the Board does not so designate a chairman, the members of the Committee, by a majority vote, may designate a chairman.

III. Meetings

The Committee shall meet quarterly and more frequently as circumstances require. The

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 Committee or to meet with any members of, or consultants to, the Committee. Each member of the Board and members of management are free to suggest the inclusion of items on the agenda. To effectuate the goal of fostering open communication, the Committee shall meet periodically with the independent auditors, the Company's internal audit group, management and the general counsel in separate executive sessions.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear and communicate with each other shall constitute a quorum. The Committee may act by unanimous written consent.

The Committee shall maintain minutes of its meetings and records relating to those meetings.

IV. Duties and Responsibilities

A. Independent Auditors

The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the accounting firm employed by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (the "independent auditors"). The independent auditors are ultimately accountable to the Board, and shall report directly to the Audit Committee of the Board of Directors.

In carrying out its responsibilities, the Committee shall:

- have the sole authority and responsibility to retain, evaluate and, where appropriate, replace the independent auditors (subject, if applicable, to stockholder approval or ratification);
 - review and, in its sole discretion, approve in advance the Company's independent auditors' annual engagement letter, including the proposed fees contained therein, as well as all audit and, as provided in the Sarbanes-Oxley Act of 2002 (the "Act") and the SEC rules and regulations promulgated thereunder, all permitted non-audit engagements and relationships between the Company and such independent auditors (which approval should be made after receiving input from the Company's management, if desired). Approval of audit and permitted non-audit services will be made by the Committee as set forth in an "Audit and Non-Audit Services Pre-Approval Policy" to be adopted by the Committee. Such policy may be amended in the sole discretion of the Committee as required from time to time.
- at least annually, obtain and review a report by the independent auditors regarding the independent auditors' internal controls and independence, including a description of (i) the independent auditors' internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, 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 the independent auditors and any steps taken to deal with any such issues;

- in order to assess the independent auditors' independence, at least annually, obtain and review a formal written statement by the independent auditors delineating all relationships between the independent auditors and the Company;
- actively engage in a dialogue with the independent auditors with respect to any disclosed relationships between the independent auditors and the Company or services that may impact the objectivity and independence of the independent auditors;
- review all material written communications between the independent auditors and management, such as any management letter and any schedule of unadjusted differences;
- establish clear policies for or approve the hiring of (i) any employee or former employee of the independent auditors who was a member of the Company's audit team during the preceding three fiscal years and (ii) any employee or former employee of the independent auditors (within the preceding three fiscal years) for senior positions within the Company at the level of Vice President or above, regardless of whether that person was a member of the Company's audit team;
- review with the independent auditors any problems or difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
- monitor compliance by the Company's independent auditors with the audit partner rotation requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder;
- engage in a dialogue with the independent auditors to confirm that audit partner compensation is consistent with the applicable SEC rules;
- resolve disagreements between management and the independent auditors regarding financial reporting; and
- at least annually, evaluate and report to the full Board on the performance, qualifications and independence of the Company's independent auditors and the lead partner for the Company's account, including a review and evaluation of the lead partner's rotation schedule.

B. Financial Reporting

In carrying out its responsibilities with respect to oversight of the Company's financial reporting, the Committee shall:

- meet to review and discuss with management and the independent auditors the Company's annual audited financial statements and quarterly financial statements,

including a review and discussion of the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";

- review the scope and results of the independent auditors' audit of the Company's annual financial statements, accompanying footnotes and its report thereon, including any significant changes required in the independent auditors' audit plans;
- discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards Nos. 61 and 71, as modified by Statement on Auditing Standards No. 90 and as may be further modified;
- review and discuss with management and the independent auditors major issues regarding accounting principles and financial statement presentations, including matters such as (i) the selection, application and disclosure of critical accounting policies; (ii) major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies; (iii) the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company and (iv) other significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative treatments of financial information permitted within accounting principles generally accepted in the United States;
- review the type and presentation of information to be included in the Company's earnings press releases (especially the use of information not prepared in compliance with generally accepted accounting principles), as well as financial information and earnings guidance provided by the Company to analysts and rating agencies. (The Committee need not discuss in advance each earnings release or each instance in which the Corporation may provide earnings guidance));
- review and discuss with management, internal audit and the independent auditors the Company's policies with respect to risk assessment and risk management, as well as major risk exposures and the process used to manage those exposures that could have a material effect on the Company's financial statements; and
- review and discuss related party transactions with management and the independent auditors.

C. Internal Audit

In carrying out its responsibilities with respect to oversight of the Company's internal audit function, the Committee shall:

- review the appointment and performance of the internal auditor and ensure that the Company maintains an internal audit function;
- discuss the overall scope of the Company's internal audits, risk management processes and system of internal controls, including, as needed, the adequacy of staffing and budget therefor, with the internal auditor;

- approve the annual Internal Audit Plan
- review significant reports to management prepared by the internal auditor and management's responses;
- review with the independent auditors the responsibilities, budget and staffing of the Company's internal audit function;
- review and discuss with management, the independent auditors and the Company's internal audit group (i) the adequacy and effectiveness of the Company's system of internal controls, including management's assessment thereof, and (ii) related recommendations of the independent auditors and management responses to such recommendations; and
- establish 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 employees of the Company of concerns regarding questionable accounting or auditing matters.

D. Compliance with Legal and Regulatory Requirements

In carrying out its responsibilities with respect to oversight of the Company's compliance with legal and regulatory requirements, the Committee shall:

- review with management, and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the Company and any material reports or inquiries from regulatory or governmental agencies;
- review with the general counsel the Company's compliance with its legal and regulatory responsibilities; and
- obtain reports from management, the Company's internal audit group and the independent auditors regarding non-compliance with applicable legal and regulatory requirements.

E. Reports to the Board

The Committee shall make regular reports to the Board, which should include reviews of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors and the performance of the internal audit function.

V. Annual Performance Evaluation

The Committee shall review its own performance annually. The results of such evaluation shall be reported to the entire Board.

VI. Annual Charter Assessment

The Committee shall review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval.

VII. Outside Advisors

The Committee shall have the authority to engage, and determine the fees of, independent counsel and other advisors it determines necessary to carry out its duties.

VIII. Funding

The Company will provide the funding the Committee determines is necessary to (i) compensate the independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, (ii) compensate any counsel and other advisors the Committee determines to retain and (iii) pay for any ordinary administrative expenses that are necessary and appropriate for the Committee to carry out its duties.

IX. Scope of Responsibilities

The Committee's responsibility is one of oversight. It is the responsibility of the Company's management to prepare consolidated financial statements in accordance with applicable law and regulations and of the Company's independent auditors to audit those financial statements. Therefore, each member of the Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons within and outside the Company from whom he or she receives information and the accuracy of the financial and other information provided to the Committee by such persons or organizations.