CORPORATE GOVERNANCE GUIDELINES
TopBuild Corp.

1. Director Qualifications

Independence

A majority of the membership of the Board of Directors (the "Board") of TopBuild Corp., a Delaware corporation (the "Company"), shall qualify under the independence and experience requirements of applicable law and the New York Stock Exchange. The Board's Governance Committee shall evaluate the independence of each director on an annual basis and shall report such evaluation to the Board, and the Board shall make an affirmative determination as to the independence of each director.

Retirement Age

Upon reaching the age of 75, a director may not continue to serve on the Board following the date of the next annual stockholders' meeting. The Board shall have the authority to make exceptions to this policy under circumstances to be determined by the Board.

Simultaneous Service on Other Public Company Boards

It is the policy of the Board that every director must notify the Chairman of the Governance Committee before accepting any invitation to serve on the board of any for-profit business entity. The Governance Committee will evaluate and advise the director whether service on such board would interfere with the director's service on the Company's board, impact the director's status as an independent director, or create an actual or apparent conflict of interest for the director.

Changes in Primary Employment

It is the policy of the Board that every director, including the Chief Executive Officer and any inside directors, must notify the Board of his or her retirement, any change in employer and any other significant change in professional roles and responsibilities, and offer to resign his or her Board membership. The Governance Committee shall evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to continued Board membership.

Attributes and Experience

Directors will have such attributes, qualifications and experience as the Governance Committee recommends and the Board has approved as appropriate to enhance the Board's effectiveness.

Director Majority Vote Policy

In accordance with Delaware law and the Company's Certificate of Incorporation and Bylaws, each as amended and as currently in effect, directors are elected by a plurality vote, meaning that the directors receiving the highest number of votes "for" their election are elected to serve as directors, irrespective of the number of "withhold authority" votes or "against" votes received in respect of his or her election. To address the situation in which a nominee for the Board is elected to the Board in an uncontested election despite receiving more votes "withheld" from or "against" his or her election than votes "for" his or her election (a "Majority Withheld Vote"), the Board has adopted the following policy that is applicable solely to uncontested elections. For purposes of the policy, an "uncontested election" is any election of directors in which the number of nominees for election does not exceed the number of directors to be elected.

By accepting a nomination for election and agreeing to serve as a director, in any uncontested election of directors, each nominee agrees that if he or she receives a Majority Withheld Vote in any such election, such director shall promptly tender to the Board an offer of his or her resignation as a director following certification of the stockholder vote by the inspector(s) of election at the meeting for such uncontested election, shall comply with this policy and shall be bound by the determination with respect to such offer of resignation made pursuant to this policy. Any director who offers his or her resignation pursuant to this policy will not participate in any discussions, deliberations or actions by either the Governance Committee or the Board with respect to his or her own resignation offer, but will otherwise continue to serve as a director unless and until such resignation is accepted and effective.

The Governance Committee will duly consider and recommend to the Board whether to accept or reject the resignation offer received from each director who received a Majority Withhold Vote. If other directors who are members of the Governance Committee receive a Majority Withheld Vote in the same uncontested election of directors, so that a quorum of the Governance Committee cannot be achieved, then the other independent directors on the Board (excluding those who received a Majority Withheld Vote in such election) will consider and decide what action to take regarding the resignation of each director who received a Majority Withheld Vote. If at least three independent directors on the Board did not receive a Majority Withheld Vote in the same election, then all independent directors on the Board shall participate in deliberations and actions regarding director resignations except that no director can participate in the vote on his or her own resignation.

Following the recommendation of the Governance Committee (or the independent members of the Board, in the situation described above), the independent members of the Board will make a determination of the action to take with respect to the offer of resignation not later than the 90th day immediately following the date of the written certification of the stockholder vote by said inspector(s) of election.

The Governance Committee and the Board will evaluate any such tendered offer of resignation, in accordance with their fiduciary duties to, and in furtherance of the best interests of, the Company and its stockholders. The Board may accept or reject the offer of resignation, or it may decide to pursue additional actions, including, without limitation, the following:

- allowing the director to remain on the Board and continue to serve but not be nominated for re-election to the Board at the next election of directors at which such director's class is to be elected;

- deferring the acceptance of the resignation until the director vacancy the resignation will create can be filled by the Board with a replacement/successor director who meets all the necessary qualifications and criteria for directors (in accordance with the Company's Bylaws and the applicable provisions of the these Corporate Governance Guidelines) and/or satisfying other legal and regulatory requirements with respect to the composition of the Board (including, for example, "independence" requirements established by Securities and Exchange Commission regulations or securities exchange listing requirements);

- deferring the acceptance of the resignation if it is determined that the underlying cause of the Majority Withheld Vote can be cured by the director or otherwise within a specified period of time (for example, the Majority Withhold Vote was due to such director serving on too many boards of directors, and such director then resigns from one or more other company boards); or

- deferring the acceptance of the resignation for other reasons determined by the Board to be in the best interests of the Company in the exercise of its fiduciary duties and business judgment.

The Board's decision will be disclosed in a Form 8-K furnished by the Company to the Securities and Exchange Commission within four business days after the decision. If the Board has decided to reject the tendered resignation, or to pursue any additional action other than accepting the tendered resignation (as described above or otherwise), then the Form 8-K will disclose the Board's reasons for doing so.

2. Director Responsibilities

Directors shall exercise their business judgment and act in a manner in which they reasonably believe is in the best interests of the Company consistent with their fiduciary duties. Directors should regularly attend meetings of the Board of Directors and of all Board committees upon which they serve. To prepare for meetings, directors should review the appropriate materials that are sent to directors in advance of those meetings.

The Board shall schedule periodic executive sessions where non-management directors (including directors who are not Company employees but who do not otherwise qualify as "independent" directors) meet without management participation. If this group includes directors who do not meet the independence standards of the New York Stock Exchange, the directors who are so independent shall also meet in executive session at least once a year. The non-management directors shall either select a non-management director to preside at each executive session or shall establish a procedure by which the presiding director for each executive session shall be selected. The Board will establish methods by which interested parties may communicate directly with the presiding director or with the non-management directors of the Board of Directors as a group and cause such methods to be disclosed in the Company's proxy statement in respect of its annual meeting of stockholders.

3. Board Committees

The Board shall have at all times an Audit Committee, a Compensation Committee and a Governance Committee. The membership of these three committees shall qualify under the independence and experience requirements of applicable law and the New York Stock Exchange. Committee members shall be appointed by the Board based upon the recommendation of the Governance Committee, except for the Governance Committee, which is directly appointed by the Board. The Board may, from time to time, establish or maintain additional committees as it deems appropriate and in the best interests of the Company.

Subject to any changes that the Board may make from time to time:

- The Audit Committee shall generally be responsible for overseeing the integrity of the Company's financial statements, its independent auditor, its internal audit function and compliance by the Company with legal and regulatory requirements;

- The Compensation Committee shall generally be responsible for overseeing the Company's compensation and benefits policies, evaluating senior executive performance and compensation, and reviewing the Company's management succession plan;

- The Governance Committee shall generally be responsible for identifying qualified Board candidates, recommending director nominees and appointments to Board committees, and overseeing the evaluation of the Board's performance, and the Corporate Governance Guidelines.

Each of the Audit Committee, the Compensation Committee and the Governance Committee shall operate pursuant to its own written charter, which each committee shall develop and recommend to the Board for approval. The charters shall, among other things, set forth the purpose, goals and responsibilities of the particular committee, the procedures for committee member appointment and removal and committee structure and operations, as well as reporting to the Board. The charters shall also provide for an annual evaluation of each committee's performance.

4. Board Member Access to Management and Independent Advisors

Board members shall have access to the management and employees of the Company and to its outside counsel and auditors. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director in appropriate circumstances.

Executive officers and other members of senior management are expected to be present at Board meetings at the invitation of the Board. The Board encourages senior management to make presentations and to invite to Board meetings managers and other employees who can provide additional insight into the items being discussed.

The Board and each of its committees are authorized to hire independent legal, financial or other advisors as they may consider necessary, without conferring with or obtaining the approval of management or, in the case of committees, the full Board.

5. Director Compensation

The Governance Committee shall review and recommend to the Board compensation (including stock option grants and other equity-based compensation), and perquisites, if any, for the Company's directors.

6. Director Orientation and Continuing Education

All new members of the Board are required to participate in the Company's orientation program for directors. Other directors may also attend the orientation program.

All directors are encouraged to participate in continuing education programs in order to stay current and knowledgeable about the business of the Company.

Such orientation and continuing education programs shall be developed and overseen by the Governance Committee of the Board.

7. Management Evaluation and Management Succession

The Compensation Committee shall annually evaluate the performance of the senior corporate executives of the Company and shall present its findings to the full Board in accordance with the Compensation Committee's charter. The Board shall review the Compensation Committee's report in order to ensure that management's performance is satisfactory and that management is providing the best leadership for the Company in the long and short-term.

The Compensation Committee shall review and periodically report to the Board on the Company's succession planning, including succession planning in the case of the incapacitation, retirement or removal of the person(s) serving as the Chief Executive Officer and the President. The Chief Executive Officer shall provide a report to the Compensation Committee, recommending and evaluating potential successors for these positions, along with a review of any development plans recommended for such individuals. The Chief Executive Officer shall also provide to the Board, on an ongoing basis, his or her recommendation as to a successor in the event of an unexpected emergency.

8. Annual Performance Evaluation

The Board and the committees of the Board shall conduct annual self-evaluations. The purpose of these evaluations is to determine whether the Board and its committees are functioning effectively. The Governance Committee shall oversee the evaluation process and the Chairperson of the Governance Committee shall present to the full Board a summary of the evaluation for discussion.

9. Amendment and Modification

These Corporate Governance Guidelines may be amended or modified by the Board, subject to the disclosure and other provisions of the Securities and Exchange Act of 1934, as amended, including the rules promulgated thereunder and the applicable rules of the New York Stock Exchange.

DIRECTOR INDEPENDENCE STANDARDS

As specified in TopBuild's Corporate Governance Guidelines, a majority of the Board shall qualify under the independence and experience requirements of applicable law and the New York Stock Exchange. The Board will make an affirmative determination regarding the independence of each director annually based on all relevant facts and circumstances at the time the determination is made. The Board, pursuant to the recommendation of the Corporate Governance and Nominating Committee, has also adopted the following categorical standards to assist it in making a determination of independence.

a) A director who is an employee, or whose immediate family member is an executive officer, of the Company is not independent until three years after the end of such employment relationship.

b) A director who received, or whose immediate family member received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) is not independent.

c) (i) A director who is a current partner or employee of a firm that is the Company's internal or external auditor; (ii) a director who has an immediate family member who is a current partner of such a firm; (iii) a director who has an immediate family member who is a current employee of such a firm and who personally works on the Company's audit; or (iv) a director who was or whose immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time, is not independent.

d) A director who is, or whose immediate family member is, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on the other company's compensation committee, is not independent until three years after the end of the employment relationship.

e) A director who is a current employee, or who beneficially owns more than a 10% equity interest in, or whose immediate family member is a current executive officer, of a corporation, partnership or other business entity, that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2% of the other company's consolidated gross revenues, is not independent.

f) A director who is, or whose immediate family member is, an executive officer of and is active in the day-to-day operations of a non-profit organization that has received contributions from the Company (cash, in-kind or in the form of product discounts), that exceed the greater of $1 million or 2% of the organization's consolidated gross revenues in any of the last three fiscal years, is not independent.

"Immediate family member" includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.