

**BEAZER HOMES USA, INC.**

**COMPENSATION COMMITTEE CHARTER**

Last Revised: November 6, 2015

This charter (“Charter”) of the Compensation Committee (the “Committee”) was adopted by the Board of Directors (the “Board”) of Beazer Homes USA, Inc. (the “Company”).

**I. Purposes of the Committee**

The purposes of the Committee are to:

A. Discharge the Board’s responsibilities relating to the compensation of the Company’s executives and directors including, without limitation, direct responsibility to: review, oversee and approve corporate goals, objectives and policies regarding compensation of executive officers, evaluate the CEO’s and other executive officers’ performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the compensation level and individual compensation elements for the CEO and with the CEO’s input for other executive officers based on this evaluation;

B. Oversee preparation of and review and approve the Compensation Discussion and Analysis and prepare the Compensation Committee Report each as and when required to be included in the Company’s annual meeting proxy statement; and

C. Administer the Company’s equity and other compensation plans in effect on the date hereof, as amended from time to time, and any additional plans adopted by the Company.

**II. Responsibilities**

A. Performance Goals. The Committee is generally responsible for reviewing and approving corporate goals, objectives and policies related to executive officer compensation. Specifically, the Committee shall approve corporate goals and objectives relevant to compensation of the CEO and other executive officers, and in light of such goals and objectives, evaluate the performance of and set compensation for the CEO and executive officers.

B. Factors Considered in CEO Compensation. In determining the long-term incentive component of the CEO’s compensation, the Committee shall consider the Company’s performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the Company’s CEO in past years and the level of compensation of other employees in the Company. To assist the Committee in the performance of its duties, the nonexecutive

Chairman of the Board shall prepare an annual report and assessment of the CEO's performance, which the Committee shall consider as part of its evaluation.

C. Other Executive Officers. Together with the CEO, the Committee shall review the performance of executive officers other than the CEO and shall set compensation in accordance with the above-described goals, objectives and policies. To assist the Committee in the performance of its duties, the CEO shall prepare an annual report and assessment of his direct reports' performance, which the Committee shall consider as part of its evaluation.

D. Succession Planning. The Committee shall oversee corporate succession planning.

E. Director Compensation. The Committee is responsible for reviewing and establishing an appropriate compensation program for members of the Board that will fairly compensate them for their service while seeking to align the interests of Board members with the long term interests of the Company and its stockholders. In performing its duties, the Committee shall take into account the burdens on and obligations and commitments required of directors, the additional time commitments required in connection with service on or serving as Chair of certain committees, and the types and amounts of compensation paid to directors of other companies in the Company's peer group.

F. Compensation Plans. The Committee's duties are to:

1. Review proposals with respect to the Company's equity based and other incentive compensation plans, and make recommendations to the full Board with respect to such plans;
2. Allocate and issue stock options and other forms of equity based compensation based upon the Committee's review of incentive projections and other information which the Committee deems necessary to determine the appropriate allocations and issuances; and
3. Review incentive compensation arrangements, including those of the Company's executive officers, to confirm that incentive pay does not encourage excessive risk taking.

G. Engagement of Consultants or Other Advisors.

1. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other advisor.
2. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other advisor retained by the Committee.

3. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other advisor retained by the Committee.

4. The Committee may select a compensation consultant, legal counsel or other advisor to the Committee only after taking into consideration, all factors relevant to that person's independence from management, including the following:

a. The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;

b. The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;

c. The policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;

d. Any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;

e. Any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and

f. Any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the Company.

H. Compensation Discussion and Analysis; Compensation Committee Report. The Committee shall oversee preparation of, review, discuss with management and approve the Compensation Discussion and Analysis ("CD&A") section on executive compensation to be included in the Company's annual meeting proxy statement or annual report and determine whether to recommend to the Board that the CD&A be included in the Company's annual meeting proxy statement or annual report. The Committee shall also prepare the Compensation Committee Report setting forth the basis for the Committee's recommendation to the Board regarding the inclusion of the disclosure set forth in the CD&A, to be included in the Company's annual meeting proxy statement or annual report.

I. Annual Performance Review. The Committee shall submit to an annual performance review by the Nominating/Corporate Governance Committee.

J. Other Duties. The Committee shall perform any other activities required by applicable law, rules or regulations, including the rules of the Securities and Exchange Commission (“SEC”) and any stock exchange or market on which the Company’s securities may be listed from time to time for Compensation Committees, and will perform such other activities that are consistent with this Charter, the Company’s Bylaws and governing laws, as the Committee or the Board deem necessary or appropriate.

K. Reporting. The Committee shall make a report to the full Board on activities and actions taken on a periodic basis, but no less than annually.

### **III. Membership**

#### **A. Appointment and Removal.**

1. The Committee shall consist of no fewer than two members. The members of the Committee and the Chair of the Committee shall be elected by the Board upon recommendation and advice of the Nominating/Corporate Governance Committee at the annual organizational meeting of the Board following the annual meeting of shareholders and shall serve until their successors shall be duly elected and qualified or their earlier resignation or removal. If the Board fails to designate a Chair, the members of the Committee shall designate a Chair by majority vote of the full Committee membership.

2. A Committee member shall be immediately removed from the Committee without further action of the Board if the member ceases to be a director of the Company or is found by the Board to no longer meet the qualifications set forth in III.B.

3. Committee members may otherwise be removed or replaced by vote of the Board upon the recommendation of the Nominating/Corporate Governance Committee.

#### **B. Qualifications.**

1. Each member of the Committee shall be an “independent director” as such term is defined under the listing standards of the New York Stock Exchange, as amended from time to time (including any heightened independence standards applicable to compensation committee members).

2. Each member of the Committee shall be a “non-employee director” as defined in Rule 16b-3(b)(3)(i) promulgated by the SEC under the Securities Exchange Act of 1934, as amended from time to time.

3. At least two members of the Committee shall be “outside directors” as that term is defined for purposes of Section 162(m) under the Internal Revenue Code of 1986 and the regulations thereunder, as amended from time to time.

**IV. Meetings**

- A. Quorum and Voting. Except as otherwise provided by this Charter or by applicable laws or regulations, as amended from time to time: (1) a majority of the members of the Committee entitled to vote, either present in person or by means of remote communication shall constitute a quorum for the transaction of business at all meetings of the Committee, and (2) all actions of the Committee shall be by affirmative vote of a majority of those members so determined to be present. Actions of the Committee may be taken by voice vote and a record thereof included in the minutes of the meeting, or may be taken by unanimous written consent signed by the members voting for the action. Any such unanimous written consent may be executed in counterparts.
- B. Delegation Permitted. The Committee shall have full authority to delegate any of its duties under this Charter to any subcommittee consisting of one or more members of this Committee.
- C. Regular Meetings. The Committee shall meet for regular standing meetings at least twice per year, and at other times as may be deemed appropriate by the Committee.
- D. Agenda. The Committee Chair will establish an agenda for each meeting after consultation with the Board and/or the Company's management.
- E. Designation of Secretary. The Committee may designate a non-voting Secretary or Acting Secretary for the Committee, who shall assist in the administration of meetings and prepare the minutes of such meetings, as requested by the Committee.
- F. Minutes. The minutes of all Committee meetings will be prepared and distributed to all Committee members and approved at subsequent meetings. Final minutes of all Committee meetings shall be distributed to the full Board and placed in the records of the Company.
- G. Consultation with Management. The Committee shall meet at least annually with management of the Company to discuss operational and financial goals of the Company and management's views with respect to executive compensation.