

**UFP INDUSTRIES, INC.**  
**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**  
**- CHARTER -**

- I. **ROLE.** The primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for: (a) management's conduct of the Company's accounting and financial reporting processes; (b) the audits of the Company's financial statements; and (c) the Company's system of internal controls regarding finance, accounting, legal compliance, and ethics.
- II. **MEMBERSHIP AND MEETINGS.** The Audit Committee shall be comprised of not less than three (3) members of the Board of Directors. Each member of the Committee must qualify as an independent director under the listing requirements of The Nasdaq Stock Market Rules, the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission (the "Commission"). Accordingly, the members of the Audit Committee will be directors:

- None of whom has any relationship to the Company that would interfere with the exercise of his or her independent judgment as a member of the Committee; and
- All of whom, as determined by the Board of Directors in its business judgment, are financially literate and have a working familiarity with basic financial and accounting practices and, at least one member of the Audit Committee shall (barring a vacancy) meet the Nasdaq standard for financial sophistication and one member shall (barring a vacancy) be an "audit committee financial expert" in compliance with the criteria established by the Commission.

The Audit Committee will establish its meeting schedule, including executive sessions with management, internal auditors, and the independent auditors. Each regularly scheduled meeting of the Committee shall conclude with an executive session of the Committee, absent members of management and on such terms and conditions as the Committee may elect.

- III. **RESPONSIBILITIES.** The Company's management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing the Company's financial statements. Additionally, the Company's financial management, including the internal audit staff as well as the independent auditors, have more time, knowledge and more detailed information of the Company than does the Audit Committee. Consequently, the Audit Committee's role is one of oversight and does not provide any expert assurance or certification as to the Company's financial statements or the work of the independent auditors

or that of the internal audit staff. However, the independent auditors and internal auditors are directly accountable to the Audit Committee.

The following functions are the common recurring activities of the Audit Committee in carrying out its oversight function:

A. Document and Report Review

- (1) Review and update this Charter periodically or as conditions dictate (at least, annually).
- (2) Review the Company's annual financial statements and any reports or other financial information submitted to any governmental body or to the public, including any report issued by the independent accountants.
- (3) Review the summary report of the internal auditor and management's response to such report.
- (4) Undertake the required reviews and discussions and receive the requisite materials for purposes of recommending to the Board whether the financial statements should be included in the Annual Report on Form 10-K.
- (5) Review with financial management and the independent auditors the quarterly report on Form 10-Q prior to its filing.
- (6) Review earnings press releases with management prior to dissemination.
- (7) Discuss with management financial information and earnings guidance provided to analysts and rating agencies.
- (8) Review management's assessment and report on the effectiveness of the Company's internal controls over financial reporting.

B. Independent Auditors

- (1) Appoint, approve the compensation of, and provide oversight of the Company's independent auditor, including the removal of the Company's independent auditors. The independent auditors shall report directly to the Committee, and the Committee shall oversee the resolution of any disagreements between management and the independent auditors.

- (2) On an annual basis, receive from the independent auditor, a formal written statement delineating, and review and discuss with the independent auditor, all relationships the auditor has with the Company (consistent with applicable requirements) to determine the auditor's objectivity and independence, undertaking or recommending appropriate action to insure and continue that independence.
- (3) Administer the Company's Policy Regarding the Approval of Audit Services and Permissible Nonaudit Services Provided by the Independent Auditor.
- (4) Review the independent auditors' report and hold timely discussions with the independent auditors regarding the content of that report, including the following:
  - (a) All critical accounting policies and practices;
  - (b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
  - (c) Other material written communications between the independent auditor and management including, but not limited to, management letter and schedule of unadjusted differences; and
  - (d) An analysis of the auditor's judgment as to the quality of the Company's accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements.
- (5) At least annually, obtain and review a report by the independent auditor describing:
  - (a) The firm's internal quality control procedures;
  - (b) Any material issues raised by the most recent internal quality-control review, peer review 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 firm, and any steps taken to deal with any such issues; and

(c) All relationships between the independent auditor and the Company.

(6) Review the independent auditor's attestation and report on management's assessment and report on the effectiveness of the Company's internal controls over financial reporting, and hold timely discussions with the independent auditor regarding the content of that attestation and report.

C. Financial Reporting Processes

(1) Review the integrity of the Company's financial reporting process, both internal and external, giving consideration to consultation with management, the independent auditors and the internal auditor.

(2) Consider and approve, as appropriate, major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditors, management or the internal auditor.

(3) Review and approve all related party transactions.

(4) Establish and maintain procedures for the receipt, retention and treatment of complaints regarding accounting or auditing matters, including procedures necessary to receive and respond to confidential and anonymous submissions by Company employees regarding questionable accounting or auditing matters.

D. Internal Audit. The Audit Committee will oversee internal audit activities, including discussing with management and the internal auditors the internal audit function's organization, objectivity, responsibilities, plans, results, budgets, and staffing.

E. Ethical and Legal Compliance

(1) Review the Company's Code of Business Conduct and Ethics, approved by the Board of Directors, to ensure that management has maintained a system to comply with expected ethical and legal requirements.

(2) Review, with the Company's counsel, legal compliance matters including corporate securities trading policies.

- (3) Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements.
- (4) Discuss the Company's major financial and accounting risk exposures and steps taken by management to control or mitigate those exposures.
- (5) Review and approve all "related party transactions," as defined in Item 404 of SEC Regulation S-K, involving directors, executive officers and their respective affiliates and immediate family members.

F. Oversight of Risk Management

- (1) Review and discuss, at least annually, the Company's process for identifying and managing significant business and financial risk exposures and steps taken by management to control or mitigate those exposures.
- (2) At least annually, review an assessment of the Company's information technology (IT) process framework and practices, including an assessment of IT risks and the IT controls implemented to monitor and mitigate those risks.
- (3) Review emerging cybersecurity developments and threats, the Company's risk relating to cybersecurity, including a review of the state of the Company's cybersecurity and the Company's strategy to mitigate data protection and cybersecurity risks.
- (4) Review with the Company's counsel and management instances of significant fraud and methods of preventing fraud on at least an annual basis.

G. Other

- (1) Perform an annual self-assessment relative to the Audit Committee's purpose, duties, and responsibilities set forth in this Charter.
- (2) To the extent it deems appropriate, obtain advice and assistance from outside legal, accounting, or other advisors as deemed appropriate to perform its duties and responsibilities.
- (3) Perform any other activities consistent with this Charter, the Company's Bylaws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.

- (4) Prepare the report that the SEC requires to be included in the Company's annual Proxy Statement.
- (5) At least annually, review and reassess the adequacy of this Charter in light of changes in the law, governing rules, and applicable corporate governance best practices.