

Fortune Brands Home & Security, Inc.

Audit Committee Charter

Purpose

The purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Fortune Brands Home & Security, Inc. (the “Company”) in overseeing the (i) integrity of the financial statements, the financial reporting process and the system of internal controls of the Company, (ii) compliance by the Company with legal and regulatory requirements, (iii) independence and qualifications of the Company’s external auditors, (iv) performance of the Company’s external and internal auditors and (v) the Company’s enterprise risk management program. In addition, the Committee shall prepare reports as required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual meeting proxy statements.

Membership

The Committee shall be composed of not less than three directors, each of whom meets the independence and experience requirements of the New York Stock Exchange listing rules and the independence standards set forth in Rule 10A-3 under the Securities Exchange Act of 1934. Each member of the Committee shall be financially literate and at least one member of the Committee shall be, in the judgment of the Board, an “audit committee financial expert” as defined by the SEC. Committee members shall not simultaneously serve on the audit committees of more than two other public companies. The Board shall have the sole authority to appoint and remove Committee members.

Manner of Acting

The Committee shall meet at least four times a year. One third of the members of the Committee, but no fewer than two members, shall constitute a quorum for the transaction of business. The action of a majority of those present at a meeting, at which a quorum is present, shall be the action of the Committee. The Committee may act by unanimous written consent of all of its members. The Committee shall keep a record of its actions and proceedings and report on such proceedings to the Board.

Authority and Responsibilities

The Committee shall:

Independent Auditors

- Select, retain, evaluate and terminate when appropriate a firm of independent certified public accountants to serve as the Company’s principal independent auditors and report directly to the Committee. The Committee has the sole authority and responsibility to appoint and retain, compensate, oversee the work of, evaluate and terminate the independent auditors. The independent auditors shall report directly to Committee.

- Approve the scope of audit work and review the reports and recommendations of the Company's principal independent auditors, as well as their performance of requested services.
- Discuss the following with the independent auditors:
 1. the matters required to be discussed by applicable accounting standards including: the auditors' responsibilities, difficulties and problems encountered in performing the audit, including any restrictions on the scope of the independent auditors' activities or on access to requested information, and management's response (including any disagreements with management);
 2. the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;"
 3. issues regarding accounting and auditing principles and practices and financial statement presentations, including all critical accounting policies and any significant changes in the Company's selection or application of accounting principles and any alternative accounting treatments preferred by the independent auditor;
 4. the adequacy of internal controls over financial reporting and procedures that are used to ensure the accuracy and completeness of the Company's financial statements;
 5. significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements;
 6. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements; and
 7. the auditors' independence and obtain the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the audit committee concerning independence.
- Review annually a written report prepared by the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board describing:
 1. the firm's internal quality-control procedures;
 2. any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors or by a governmental or professional authority investigation or inquiry within the past five years with respect to independent audits carried out by the auditors, along with any steps taken to deal with such issues; and
 3. all relationships between the independent auditors and the Company and how those relationships affect the auditors' independence.

- Evaluate the lead partner of the independent auditor team and ensure the regular rotation of the lead audit partner as required by law.
- Evaluate whether, in order to assure continuing auditor independence, there should be regular rotation of the independent auditing firm.
- Evaluate the qualifications, performance and independence of the independent auditor and present its conclusions with respect to the independent auditor to the Board.
- Pre-approve all auditing services, internal control-related services and permitted non-audit services performed by the independent auditors.
- Meet separately with independent auditors (without the presence of management) on a quarterly basis.

Management

- Discuss the following with management:
 1. the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;"
 2. issues regarding accounting and auditing principles and practices and financial statement presentations, including changes to any critical accounting policies and any significant changes in the Company's selection or application of accounting principles;
 3. the adequacy of internal controls over financial reporting and procedures that are used to ensure the accuracy and completeness of the Company's financial statements, including any potential deficiencies, management's response to and progress made to cure such deficiencies;
 4. significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements;
 5. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements;
 6. the annual and quarterly certifications by the Chief Executive Officer and Chief Financial Officer regarding the accuracy and completeness of the Company's financial statements and SEC reports and the adequacy of internal controls over financial reporting and procedures;
 7. the Company's press releases with respect to earnings announcements (including the use of "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies; and

8. management's view as to the competence, performance and independence of the independent auditor.
- Review and discuss the Company's policies with respect to risk assessment and risk management.
 - Discuss the Company's major financial, external, strategic, operational and compliance risk exposures and the steps management has taken to mitigate, monitor and control such exposures.
 - Meet separately with management on a quarterly basis.

Internal Auditors

- Approve the annual internal audit plan and receive quarterly updates on the results of internal audit work.
- Review with management the appointment and replacement of the Chief Internal Auditor and any changes in his or her duties.
- Review internal audit responsibilities, staffing levels and qualifications and annual expense budgets.
- Meet separately with the Chief Internal Auditor on a quarterly basis.

Other Responsibilities

- Resolve any disagreements between management and the Company's independent auditors regarding accounting and financial reporting.
- Review the findings resulting from any examinations of the Company's financial statements by federal regulatory agencies, including the SEC and the Internal Revenue Service.
- The Committee will periodically review and approve related person transactions and conflicts of interest involving, directly or indirectly, any director, executive officer of the Company or the President of any of the Company's principal operating companies.
- Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including creation of mechanisms for the confidential, anonymous submission of complaints and periodically review with management and internal audit these procedures and any significant complaints received.
- Establish hiring policies for employees or former employees of the independent auditor.

- Retain outside legal, accounting or other advisors as deemed appropriate by a majority of the members of the Committee or the Chair of the Committee.
- Determine appropriate funding for the payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company and to any advisors employed by the Committee, as well as appropriate funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Company shall provide appropriate funding as determined by the Committee.
- Prepare a report to be included in the Company's annual proxy statement disclosing whether the Committee has recommended to the Board that the audited financial statements be included in the Company's Form 10-K, as required by the rules of the SEC.
- Report Committee actions to the Board on a regular basis and make such recommendations to the Board as deemed appropriate.
- Review this Charter annually and recommend changes to the Company's Nominating and Corporate Governance Committee, as necessary.
- Conduct annually a performance evaluation of the Committee, the results of which are reported to the Board.
- Undertake such additional activities within the scope of its functions as the Committee may determine or as may otherwise be required by law, the Company's charter or bylaws or by directive of the Board.

While the Committee has the responsibilities and powers set forth in this Charter, management has the responsibility for the Company's system of internal control and the financial reporting process. The independent auditors have the responsibility to conduct an independent audit in accordance with generally accepted auditing standards and to issue an opinion thereon. The Committee's responsibility is to monitor and oversee these processes.

The Committee may delegate any of its responsibilities to a subcommittee, so long as all of the members of the subcommittee meet the qualifications for membership on the Committee. If the Committee delegates the authority to grant pre-approvals of auditing services, internal control-related services or permitted non-audit services, the decisions of such subcommittee to grant any such pre-approvals shall be presented to the full Committee at its next scheduled meeting.