

ANTI-CORRUPTION AND GIFTS (GLOBAL POLICY GP-20.A)

*This is a global policy of Armstrong World Industries, Inc. (AWI)
It applies to you, in your capacity as an AWI employee, and to all employees, directors and officers of
AWI and its subsidiaries worldwide.*

1. INTRODUCTION

Armstrong is committed to conducting its business activities with honesty and fairness. An important part of honoring that commitment is making sure that everyone at Armstrong, and everyone that represents Armstrong, upholds our standards of ethical business conduct.

This Policy applies to you, as an Armstrong employee, in your conduct of business **anywhere in the world**. The Policy also applies to Armstrong's Business Partners who act for Armstrong, as well as other representatives and intermediaries who deal with government officials or private commercial parties on Armstrong's behalf.

This Policy is designed to uphold our values and assure compliance with anti-corruption laws in all countries in which we operate, including the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and applicable local anti-corruption laws in Brazil, China, India, Russia and elsewhere.

There are severe financial and criminal penalties for violations of anti-corruption laws. For example, FCPA violations may result in millions (USD) in fines, as well as imprisonment for individuals, while violations of the UK Bribery Act carry unlimited fines and imprisonment. In addition, fines imposed upon employees, directors, officers and agents **cannot** be paid or reimbursed, directly or indirectly, by the Company.

If you fail to live up to the standards set forth in this Policy, you will be subject to disciplinary sanctions, up to and including termination. Our Code of Business Conduct reminds and encourages you to report any concerns without fear of retaliation. You will **never** be punished in any way for raising questions or reporting possible issues in good faith.

Armstrong Business Partners who fail to comply with the applicable standards set forth in this Policy will also be subject to actions that may include termination of our business relationship, as well as damages and other legal remedies.

2. DEFINITIONS

The following terms and definitions apply to this Policy:

"Agent" means any individual or firm authorized, whether formally or not, directly or via an intermediary, to act or represent that it acts on behalf of Armstrong;

"anything of value" means cash, gifts (including gifts to family members), discounts on products and/or services not readily available to other customers, commission payments, stock shares, a promise to pay, loans, assumption or forgiveness of a debt, payment or reimbursement of expenses, personal favors, entertainment, meals, travel, political & charitable contributions, business

opportunities, medical care, or an offer of employment for a government official or a relative of a government official;

“**Armstrong**” means Armstrong World Industries, Inc. and its subsidiaries worldwide;

“**Business Partner**” means all distributors, joint venture partners, **Agents**, consultants and any other third party who act, or represent that they act, on behalf of Armstrong;

“**Facilitating Payment**” means a small payment that is designed to secure or expedite a routine government action by a Government Official;

“**Government Entity**” means an entity or business which is owned, controlled or affiliated with a government or a government organization;

“**Government Official**” means:

- Officers, employees or official representatives of any national, regional, local, or other **Government Entity**, including elected officials; or
- Officers, employees or official representatives of companies in which a government owns an interest; or
- Current candidates for political office at any level; or
- Political parties and their officials; or
- Officers, employees, or official representatives of public (quasi-governmental) international organizations, such as the World Bank, Red Cross, United Nations, International Monetary Fund, etc.

“**routine government action**” means obtaining permits, licenses, or other official documents; processing governmental papers, such as visas and work orders; scheduling an inspection; providing police protection, securing mail pickup or delivery; getting utilities such as power or phones connected; loading and unloading cargo; moving perishable goods through customs; and actions of a similar nature;

“**you**” means (a) you, in your capacity as an Armstrong employee, (b) all employees, directors and officers of Armstrong and its subsidiaries worldwide, and (c) all Business Partners of Armstrong and its subsidiaries worldwide, as applicable.

3. STANDARDS OF CONDUCT

a. General Standard

Armstrong strictly prohibits you from giving or receiving bribes of any kind. Accordingly, you are not permitted to give or offer **anything of value** to anyone improperly to gain or retain business or to obtain or retain a business advantage. Armstrong makes no distinction between bribery of government officials and bribery of workers in other sectors. Both are unacceptable.

Armstrong requires that all payments and receipts are recorded in Armstrong’s books and records in accordance with applicable accounting standards and legal requirements.

b. Payments

You may **not** make, offer, or facilitate a payment to anyone to win influence or gain or retain business or an improper business advantage. Likewise, you must **never** accept any such payment. Payments that are improper if made directly by or to you may not be made indirectly (for example, through a relative). Even if you are not certain that a part of a payment to a third party will be passed on as a bribe, you must not make or facilitate that payment if you believe that bribery will or is likely to occur.

Armstrong prohibits **Facilitating Payments** unless (a) the specific payment is confirmed in writing in advance and approved by the Armstrong Legal Department as lawful and vital to Armstrong's business interests; or (b) the payment is made to avoid an imminent threat to the health, safety or welfare of you, or any employee or his or her family members. All Facilitating Payments must be accurately described and recorded in the appropriate accounting books and records of the relevant Armstrong entity. Failure to obtain advance written approval for, and accurately record any, facilitation payment, is ground for disciplinary action, up to and including termination.

c. Record-Keeping and Accounting Requirements

Anti corruption laws generally require a company to maintain books, records and accounts in reasonable detail, accurately reflecting all transactions of the company regardless of value and maintain an adequate system of internal accounting controls.

As a consequence, you may not take any action designed to falsify records to disguise all or part of a transaction. For example, you may not characterize a payment as being to party "x" when it was actually made to party "y," or change the described purpose of a payment to hide or mischaracterize its true purpose. You must also always enter records and amounts correctly. For example, you may not enter a payment of \$100,000 to agent "x" when in reality there was an understanding that agent "x" would pay \$20,000 of the payment to Government Official "y".

Armstrong is committed to maintaining reasonable record-keeping and accounting practices to account for all money. Accordingly, a bribe must be recorded as a bribe and a Facilitating Payment must be recorded as a Facilitating Payment.

If you believe that a payment has been or may be recorded improperly, you have a duty to report this immediately to the:

- Business Unit CFO; or
- Legal Department; or
- Office of Compliance.

d. Gifts

In some locations, it may be customary to give token gifts to Government Officials or Business Partners with whom you are doing business on Armstrong's behalf.

You may give a small gift if it (1) is **not cash** or a cash equivalent (e.g., gift cards, securities); (2) is not offered in exchange or as a reward for any action or inaction; (3) is permitted under both local law and the guidelines of the recipient's employer; (4) comports with local custom; **and** (5) is presented with complete transparency and recorded on Armstrong's books. You must seek prior written permission from the Office of Compliance before offering a gift worth more than \$150 (USD).

If someone with whom Armstrong does business offers you or someone in your family a gift, the **same rules apply** as those described above for the giving of gifts. You may not accept gifts that you would be prohibited from giving if the roles were reversed. In addition, you must never solicit gifts of any kind, and you should consult with the Office of Compliance before accepting a gift worth more than \$150. In the rare situation where returning or paying for a gift in excess of \$150 would be viewed as an affront to the giver under local custom and advance consultation is not practical, you must promptly report the gift to the Office of Compliance. Any gift you receive as a result of your work with Armstrong is property of the company and must be surrendered upon request.

e. Entertainment and Travel

With respect to **Government Officials**, anti-corruption laws generally permit companies to pay for travel and accommodation expenses of a Government Official visiting a company site or other business-related location, provided that (a) the travel is for a legitimate business purpose, such as a meeting to discuss regulatory issues or to demonstrate company products; **and** (b) the expenses are reasonable given the seniority of the Government Official.

As a consequence, Armstrong requires that a Government Official Travel Acknowledgement (Appendix 1) be completed in advance of any commitment to pay for travel or accommodation expenses for a Government Official. Completed, signed Acknowledgements must be sent to the Office of Compliance.

Travel cannot include side trips to non-business destinations, and Armstrong will not cover the expenses of family or friends.

With respect to **Business Partners**, business entertainment expense must be both ordinary and necessary, and meet either of the following two tests:

- (a) entertainment took place in a clear business setting, OR the main purpose of entertainment was the active conduct of business, AND you did engage in business with the person during the entertainment period, AND you had more than a general expectation of getting some specific business benefit; or,
- (b) entertainment was associated with Armstrong's business AND the entertainment directly preceded or followed a substantial business discussion.

All expense must be fully documented with appropriate receipts and a complete description as to time, place, and type of entertainment; name title, and business affiliation of customers, suppliers, or other business partners entertained; and the business purpose of the entertainment. If entertainment was provided in a place not normally conducive to a business discussion (theater, sporting event, etc.), show the date, time, duration, place, nature, and participants in the related business discussion preceding or following the entertainment.

Expenses for gifts or entertainment not allowed under this policy are not reimbursable.

For further guidance regarding travel and entertainment expense, refer to your local Travel & Entertainment Expense Policy.

f. Political and Charitable Contributions

You may **not** make political or charitable donations (including sponsorships), whether in your own name or in the name of Armstrong, to obtain or retain business or to gain an improper business advantage. Any approved political or charitable contributions or sponsorships that Armstrong makes, must be allowed under local law, made to or for a bona fide political or charitable organization, and authorized under the terms of this Policy. This Policy does not restrict your personal support of any charitable or political organization in your own name.

To avoid even the appearance of impropriety, you must secure the **prior written approval** of the Legal Department before making a political or charitable contribution on Armstrong's behalf, or as a result of a request made to you in your role at Armstrong, other than as a result of charitable initiatives sponsored by Armstrong. Any connection of any Government Official to any organization receiving a proposed contribution must be identified.

g. Dealings with Third Parties & Business Partners

Armstrong's commitment to compliance with anti-corruption laws extends to the activities of its Business Partners. You should be careful to avoid any situation involving a third party that might lead to a violation of any applicable anti-corruption laws. Both Armstrong and you can be held liable for improper payments made by Armstrong's Business Partners to a third party on Armstrong's behalf, or failing to prevent bribery by those acting on Armstrong's behalf. Armstrong policy requires periodic due diligence reviews at the regional level for select Business Partners representing or acting on behalf of the Company.

You must remain alert to certain suspicious circumstances, the more common types of which are listed as "**Red Flags**" below. These circumstances may indicate higher corruption risk:

Red Flags:

The Business Partner:

- ▶ is located in, or the transaction will take place in, a country with a history of corruption or is generally perceived as having a high level of corruption; or
- ▶ fails, or is unable, to provide a completed Armstrong Business Partner Questionnaire; or
- ▶ resides outside the country in which the services are to be rendered; or
- ▶ was specifically requested or recommended by a Government Official; or
- ▶ refused to sign a contract containing anti-corruption wording and/or requests such wording to be deleted or amended; or
- ▶ provides incomplete or inaccurate information in due diligence disclosures; or
- ▶ requests payments to be made to a third party or a third-country bank account, or requests other unusual financial arrangements; or
- ▶ requests payment in cash; or
- ▶ requests that false invoices or other documents be created or prepared in connection with a transaction; or
- ▶ uses unidentified sub-agents or sub-contractors to assist in their work; or
- ▶ requests an usually high commission or success fee in relation to the services provided; or
- ▶ requests a commission be paid before announcement of a contract signing or regulatory decision; or
- ▶ requests lavish entertainment, gifts, or travel in connection with negotiations; or
- ▶ requests reimbursement for poorly documented/questionable expenses; or
- ▶ has family or business links to Government Officials; or
- ▶ does not have the relevant qualifications, organisational resources or staff for the services being provided.

If you encounter or perceive any of these Red Flags when considering a new Business Partner or working with an existing Business Partner, you should contact:

- Legal Department; or
- Office of Compliance

[END OF POLICY]

Appendices

- 1 - Government Official Travel Acknowledgement

Appendix 1

Government Official Travel Acknowledgement

Armstrong is committed to conducting its business activities with honesty and fairness.

It is Armstrong's policy to assure compliance with anti-corruption laws in all the countries where we operate, including the US Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act, and applicable local anti-corruption laws in Brazil, China, India, Russia and elsewhere.

Armstrong requires all Government Officials to read and acknowledge this notice in writing as a condition to Armstrong paying any travel and/or accommodation expenses.

Please review the trip details provided by Armstrong, complete the information requested on the next page, and sign the acknowledgement on the last page before returning to Armstrong.

| Armstrong Contact Information: |
|--|
| 1. Name of key contact for Armstrong relationship: |
| 2. Address: |
| 3. Telephone number: |
| 4. Email address: |

| Trip Details: |
|---|
| 5. Brief description of the business purpose of the trip: |
| 6. Place(s) to be visited: |
| 7. When is the trip to take place: |
| 8. Duration of trip: |
| 9. Details of the expenses to be paid for by Armstrong: |
| 10. Any other relevant information: |

To be completed by traveler:

| Government Entity Information: |
|--|
| 11. Name of government entity / state-owned entity / government affiliated entity: |
| 12. Address: |
| 13. Telephone number: |
| 14. Fax number: |
| 15. Name and title of contact person – management: |
| 16. Email address of contact person: |
| Individual Traveler Information: |
| 17. Full name: |
| 18. Title / position: |
| 19. Address: |
| 20. Telephone number: |
| 21. Email address: |
| 22. Nationality: |
| 23. Passport number: |
| Government Official Comments on Trip Details: |
| 24. Provide any additional comments about the business purpose of the trip or travel details, if required: |

In accepting payment of my travel and/or accommodation expenses from Armstrong, I hereby acknowledge the following:

- the travel is for a legitimate business purpose, such as a meeting to discuss regulatory issues or industry best practices, for educational value, or to see or have a demonstration of Armstrong products;
- the expenses to be paid by Armstrong will be reasonable given my seniority;
- none of my friends or family members will be travelling with me. If I am to be accompanied by friends and/or family, none of their expenses will be paid for by Armstrong;
- Armstrong will not pay for any stopovers that are not directly connected to the business purpose of the travel. I agree and understand that I am responsible for the cost and expenses of any non-business related stopovers and confirm that any such stopovers will not result in any additional cost to Armstrong;
- wherever possible, Armstrong will make payments directly to the hotel, airline or other such service providers;
- any travel expenses will only be reimbursed against appropriate receipts;
- no per diem payments (daily allowances) will be paid by Armstrong;
- under no circumstances will any cash be transferred to me, including to enable me to arrange my own travel; and
- no gifts will be given to me (or my employer) by Armstrong, whether during the trip itself or otherwise.

I also confirm the following:

- I know of and understand Armstrong's Code of Business Conduct;
- I know of and understand Armstrong's Anti-Corruption and Gifts policy;
- the travel does not violate any of my employer's/organisation's own policies;
- the travel complies with all applicable laws and regulations;
- I have received whatever approvals are necessary from my manager/employer/organisation, as applicable, to permit me to undertake this travel;
- there is no expectation of any business, value or consideration to be given to Armstrong as a result of the travel; and
- the travel is not related to a current business transaction.

By signing this form below, I certify that all of the above provisions are true and accurate. I acknowledge that the trip to be undertaken and paid for (whether in full or in part) by Armstrong is for a legitimate business purpose. I also understand that Armstrong will seek reimbursement of all expenses paid to me should any of the above provisions not be true and/or accurate.

Name

(signed): _____

Name

(typed/printed): _____

Name of Government Entity

(typed/printed): _____

Date: _____

Completed, signed forms must be emailed to OfficeofCompliance@armstrongceilings.com