

**ARMSTRONG WORLD INDUSTRIES, INC.  
AUDIT COMMITTEE  
CHARTER**

**I. Purpose**

1. The Audit Committee (“Committee”) of the Board of Directors (“Board”) of Armstrong World Industries, Inc. (“Company”) assists the Board in its oversight of the accounting, auditing, financial reporting and internal financial control matters of the Company.
2. The Committee assists the Board in its oversight of the integrity of the Company’s financial statements, compliance with legal and regulatory requirements, reporting practices and systems of internal controls regarding finance and accounting.
3. The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the Committee (the registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Company’s Annual Report on Form 10-K is referred to herein as the “independent auditors”), and any other registered public accountant engaged (including resolution of disagreements between management and the independent auditors regarding financial reporting) in auditing, audit-related, review or attest services.
4. The Committee assists the Board in its oversight of the qualifications, independence and performance of the Company’s independent auditors and the performance of the internal auditing function and independent auditors.
5. The Committee provides one avenue of communication among the independent auditors, management, the internal auditing function, and the Board concerning accounting, auditing, financial reporting and controls.
6. The Committee annually prepares such report and certification to shareholders and the New York Stock Exchange (the “NYSE”) as required by Securities and Exchange Commission (“SEC”) rules and regulations for inclusion in the Company’s annual proxy statement.

**II. Authority**

The Committee receives its authority and its assignments from the Board, except in matters where its authority is derived by applicable laws, rules and regulations or the listing standards of the NYSE. The Committee regularly reports to the Board. The Committee has direct authority and responsibility for the selection, appointment, compensation, evaluation and, where appropriate, replacement of the independent auditors. The independent auditors shall report directly to the Committee. The Committee has direct access to the independent auditors, as

well as access to anyone in the Company. The Committee may investigate any activity of the Company. The Committee has the ability to contractually bind the Company, commit the Company to pay for services, expenses, or other costs, and retain, at the Company's expense, independent counsel and other advisors, including without limitation special legal, accounting or other consultants or experts, all as the Committee deems necessary in the performance of its duties. The Company will provide appropriate funding, as determined by the Committee, for its expenses and for payment of compensation to auditing firms, other advisors and for payment of ordinary administrative expenses the Committee determines necessary or appropriate to carry out its duties.

### **III. Composition**

1. The Committee shall be comprised of at least three directors, each of whom shall be an "independent director" as required by: (i) the requirements of the Securities Exchange Act of 1934, as amended, and applicable rules and regulations promulgated thereunder; (ii) NYSE listing standards, subject to any phase-in rules that may be applicable, (iii) the Company's Bylaws and (iv) the Company's Corporate Governance Principles, and shall possess qualifications which meet all applicable eligibility requirements as may be set by applicable laws, rules and regulations or NYSE listing standards and the Board from time to time. These include being independent of management and operating executives, not being an affiliated person of the Company or any subsidiary, being free from any relationship that would interfere with the exercise of his or her independent judgment, and not directly or indirectly receiving any consulting, advisory or other compensatory fee from the company apart from compensation as a director. The prohibition on other compensatory fees includes indirect acceptance through payments to spouses or other family members and to entities in which the director is a partner, officer or holds a similar position, all as defined by law. The prohibition excludes amounts received from fixed retirement compensation for past service. The Board, in consultation with the Nominating, Governance and Social Responsibility Committee, shall make the determination on the independence of each member.
2. Each member of the Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee.
3. At least one member of the Committee must be designated by the Board to be the "audit committee financial expert," as defined by applicable SEC rules.
4. Committee members and the chair of the Committee ("Chair") shall be recommended by the Nominating, Governance and Social Responsibility Committee and appointed by the Board, provided that if the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson. A member of the Committee may be removed only by majority vote of the board. The terms of Committee members shall be arranged to maintain continuity to the extent practicable, consistent with the rotation process specified in the Company's Corporate Governance Principles.
5. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee and set the agenda for each Committee meeting.

6. No member of the Committee may concurrently serve on the audit committee of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the Committee.

#### **IV. Meetings**

The Committee shall meet at least five times per year (at least once each quarter) on a schedule adopted by the Committee and as many additional times as the Committee deems necessary. The Chairman of the Board, the Chair or any two other members of the Committee may call a special meeting in the manner prescribed by the Bylaws of the Company for a special meeting of the Board. The Chair may request members of management, representatives of the independent auditors and other persons to be present at meetings. At least quarterly, the Committee shall meet privately with the Chief Financial Officer, the Chief Accounting Officer, the Director of Internal Auditing (or representatives of the firm providing such services, if applicable), the independent auditors, and as a committee to discuss any matters that the Committee or any of these individuals believe warrant Committee attention.

#### **V. Minutes**

Minutes of each meeting shall be prepared at the direction of the Chair and made available to Committee members and all other directors. Copies are to be made available to the Company's independent auditors, Director of Internal Auditing (or representatives of the firm providing such services, if applicable), Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and General Counsel.

#### **VI. Scope of Responsibilities and Duties**

The following duties and responsibilities are within the authority of the scope of Committee and the Committee shall, consistent with and subject to applicable laws, rules and regulations and NYSE listing standards:

##### A. Charter Review

1. Review and reassess the adequacy of this Charter on an annual basis, submit this Charter to the Board for approval, and publish this Charter as required by applicable laws, rules and regulations or NYSE listing standards.

##### B. Financial Reporting

1. Prior to filing with the SEC, review the Company's annual audited financial statements, unaudited quarterly financial statements and the Annual Report on Form 10-K or Quarterly Report on Form 10-Q containing such financial statements, (ii) the disclosures included in section "Management's Discussion and Analysis of Financial Condition and Results of Operations" of those filings, (iii) the scope and results of the independent auditor's report relating to the annual audited financial statements and (iv) other matters required by applicable Public Company Accounting Oversight Board ("PCAOB") standards or under applicable law, rules and regulations or NYSE listing standards, and to determine whether to recommend

to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K. The matters to be discussed with management and the independent auditors shall include, but not be limited to, discussion of significant issues regarding accounting principles, practices, audit findings, disclosures or judgments.

2. In consultation with management, the independent auditors and the internal auditors: (i) review the integrity of and risks to the Company's financial reporting processes and internal controls; (ii) assess the significant financial risk exposures; (iii) review the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent auditors and the internal auditing function together with management's responses.
3. Review with the independent auditors significant issues regarding accounting principles and financial statement presentations, including (i) complex or unusual transactions and highly judgmental areas, (ii) significant changes in the Company's selection or application of accounting principles, (iii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements, and (iv) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
4. Review with management and the independent auditors any difficulties or problems encountered with respect to the audit and the management's response, including (i) any restrictions on the scope of the independent auditor's activities, (ii) any restrictions on access to requested information or (iii) any significant disagreements with management.
5. Review disclosures made by CEO and CFO during the certification process for the Company's Annual Report on Form 10-K and Quarterly Report on Form 10-Q filings regarding material weaknesses or significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Company's internal controls.
6. Prior to issuing earnings releases, the Committee will review with management the information being communicated to the public in the press release, including the use of any "pro forma" or "adjusted" non-GAAP information, as well as the financial information and earnings guidance provided to analysts and rating agencies, as well as any change to previously issued financial information or earnings guidance provided prior to issuance.
7. At least annually, obtain and review a report by the independent auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 (to assess the auditors' independence) all relationships between the independent auditors and the Company.

### C. Independent Auditors

1. On at least an annual basis, review the independence and performance of the independent auditors, and retain or discharge the independent auditors as circumstances warrant (subject, if applicable, to shareholder ratification). Prescribe such policies and procedures as the Committee deems appropriate pertaining to relationships with the independent auditors, including clear hiring policies for employees and former employees of the independent auditors. An accounting firm may not perform any audit service for the Company if any of the Chief Executive Officer, the Chief Financial Officer, Controller or Chief Accounting Officer of the Company was employed by such firm and participated in any capacity in the audit of the Company during the one-year period preceding the date of initiation of the audit.
2. Approve the independent auditors' engagement terms and fees for annual audit services as well as advance approval of all permitted non-audit engagements with that firm based upon pre-approval procedures established by the Committee that are consistent with applicable laws, rules and regulations. Any such approval of non-audit services by the independent auditor shall be disclosed in periodic reports as prescribed by applicable laws, rules and regulations.
3. On at least an annual basis, review a formal, written statement from the independent auditors on such matters as are prescribed by the applicable requirements of the Public Company Accounting Oversight Board or the NYSE, including all relationships between the auditors and the Company or its management. Discuss with the independent auditors all significant relationships they have with the Company and their impact on the auditors' objectivity and independence, including non-audit services and the fees proposed and charged therefore. Take appropriate action in response to these matters to satisfy itself of the auditors' independence.
4. Review the independent auditors audit plan; discuss scope, staffing, locations, reliance upon management and internal audit, and general audit approach.
5. Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

D. Internal Audit Function, Internal Controls and Legal Compliance

1. Annually review and approve the charter, budget, resources and audit plan, including changes to the audit plan, of the internal audit function, in addition to approving decisions related to performance, compensation, appointment, replacement, and dismissal of the director of internal audit.
2. On at least a semi-annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations (in coordination with other committees), and inquiries received from regulators or governmental agencies.
3. Review:
  - a) the adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget, compensation and staffing of the Company's internal audit function, through inquiry and discussions with the Company's independent auditors, management and director of the Company's internal auditing department; and
  - b) the yearly report prepared by management, and attested to by the Company's independent auditors, assessing the effectiveness of the Company's internal control over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting prior to its inclusion in the Company's Annual Report on Form 10-K.
4. Review with the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and independent auditors the following:
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.
5. Discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company, including the internal auditing department, assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
6. Review the progress and results of all internal audit work, and, when deemed necessary or appropriate by the Committee, assign additional internal audit projects to the Company's internal auditing department.
7. Review with management the Company's administrative, operational and accounting internal controls, including any special audit steps adopted in light of the discovery of material weaknesses or significant deficiencies.

E. Other Audit Committee Responsibilities

1. Report to the Board at its next meeting on significant results of the foregoing activities.
2. As considered necessary by the Committee, review audit results associated with directors' and officers' travel and entertainment expenses.
3. Establish procedures for, and regularly review:
  - a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters
  - b. the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - c. the receipt from counsel for the Company of a report of evidence of a material violation of securities law or breach of fiduciary duty or similar violation by the Company or any agent thereof.
4. Periodically review the process, methodology, and tools used by management to identify, evaluate, organize, assess and mitigate significant risks, including, but not limited to, managements Enterprise Risk Management (ERM)
5. Recommend to the Company's shareholders for ratification of the independent auditors retained by the Committee to audit the books, records and accounts of the Company.
6. Perform any other activities consistent with this Charter, the Company's by-laws, and governing law, as the Committee or the board deems necessary or appropriate.
7. Periodically review materials or receive education on Committee-related and new accounting and auditing-related developments and best practices.
8. Annually evaluate the Committee's performance of its responsibilities.
9. Review the determinations of the Nominating, Governance and Social Responsibility Committee on the qualifications of Committee members under relevant standards and requirements for Committee membership.
10. While the Committee has the responsibilities and authority set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine if the Company's financial statements and disclosures are complete and accurate and in accordance with GAAP and all applicable rules and regulations. These are the responsibilities of the Company's management and the independent auditor.