

**CHARTER OF THE FINANCE COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
ARMSTRONG WORLD INDUSTRIES, INC.  
ADOPTED AS OF JULY 26, 2017**

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**I. PURPOSE OF THE COMMITTEE**

The purpose of the Finance Committee (the "Committee") is to assist the Board of Directors (the "Board") of Armstrong World Industries, Inc. (the "Company") in its oversight of the financial management of the Company, including material and strategic financial matters.

**II. COMPOSITION OF THE COMMITTEE**

The Committee shall be comprised of at least three directors, each of whom shall be "independent," as such term is determined by the Bylaws of the Company and the principal stock exchange(s) where the securities of the Company are listed, who are appointed by the Board. The chairperson of the Committee shall be designated 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. Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board. The Committee may form and delegate authority to subcommittees when it deems appropriate.

**III. MEETINGS OF THE COMMITTEE**

The Committee shall meet at least two times annually on a schedule adopted by the Committee, with authority to convene more frequently. The chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee.

The chairperson of the Committee shall develop and set the Committee's agenda for meetings, in consultation with other Committee members, the Board and appropriate members of management. Meeting agendas and appropriate briefing materials shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review by Committee members.

The Committee may act by a majority of its members at a meeting or without a meeting if all members of the Committee consent to the action in writing or by other means of electronic transmission permitted under applicable law and the Company's By-Laws.

The chairperson of the Committee, or in the absence of the chairperson, another member of the Committee, shall provide the Board with a report of the Committee's activities and proceedings at each regularly scheduled meeting of the Board. The Committee shall maintain written minutes of its meetings, which minutes shall be filed with the minutes of the meetings of the Board.

The Committee may invite members of management, other directors, advisors, consultants or other persons whose advice and counsel are sought by the Committee, to attend any meeting and to provide such pertinent information as the Committee requests.

#### **IV. RESPONSIBILITIES OF THE COMMITTEE**

The following are the principal responsibilities and duties of the Committee:

A. The Committee shall:

- i. periodically review, and when appropriate, make recommendations to the Board regarding the Company's capital structure, including with respect to the debt and equity securities, financing arrangements and credit facilities of the Company;
- ii. monitor the impact of various Company activities on the Company's credit ratings and funding costs;
- iii. periodically review and consider for recommendation to the Board any dividend policy of the Company and the declaration of cash and non-cash dividends or other forms of distributions on the Company's stock, including stock splits and dividends in the form of issuances of common stock;
- iv. periodically review and make recommendations to the Board regarding the Company's authorization to repurchase its common stock;
- v. annually review, and to the extent Board approval is required, make recommendations to the Board regarding, the Company's capital plans and capital plan investments;
- vi. review and make recommendations to the Board on the financial terms of proposed mergers, acquisitions, divestitures, strategic investments and joint ventures that require approval of the Board;
- vii. annually review and report to the Board on Board approved capital expenditures and completed Board approved transactions for the purposes of evaluating performance compared to projections and other assumptions relied upon when approving the capital expenditure or transaction; identifying the factors differentiating more successful capital expenditures and transactions from less

successful capital expenditures and transactions; and evaluating the strategic contributions resulting from the capital expenditure or transaction;

- viii. annually review the adequacy of Company's insurance programs, other than its Directors' and Officers' insurance program;
  - ix. annually review policies for managing interest rate and investment risk;
  - x. annually review tax planning strategies and initiatives;
  - xi. oversee and, to the extent Board approval is required, make recommendations to the Board regarding funding obligations and funding strategies relating to Company sponsored employee retirement and benefit plans; and
  - xii. periodically review and make recommendations to the Board regarding delegation of authority to management with respect to financial matters.
- B. The Committee shall annually evaluate the Committee's performance of its responsibilities.
- C. The Committee shall annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- D. The Committee shall recommend to the Board such additional actions related to the Company's financial matters as the Committee deems necessary from time to time; and
- E. The Committee shall perform any other duties or responsibilities as may be delegated by the Board to the Committee from time to time.
- F. The Committee shall review other matters submitted to the Committee by management and, if requested, make recommendations regarding such matters to the Board if such matters are within the authority delegated to it by the Board.

## **V. GENERAL**

The Committee has the authority, to the extent it deems necessary or appropriate, to retain one or more consultants or advisors to assist it in carrying out its duties and responsibilities. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including the sole authority to approve the consultant's or advisor's fees and other terms of their engagement. Notwithstanding the foregoing, the Committee shall not retain the Company's independent auditors to perform any services without the prior approval of the Company's Audit Committee. The Company will provide for appropriate funding, as determined by the Committee, for payment of compensation to any consultants or advisors retained by the Committee.

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While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.