

## **FORTUNE BRANDS HOME & SECURITY, INC. CORPORATE GOVERNANCE PRINCIPLES**

The following principles have been adopted by the Board of Directors (the “Board”) of Fortune Brands Home & Security, Inc. (the “Company”) to assist the Board in the exercise of its responsibility to oversee the performance of the Company’s management for the benefit of the Company’s stockholders and the maximization of stockholder value and to create a common set of expectations for how the Board, its committees, the directors and management should perform their respective functions.

### Corporate Governance Principles – Table of Contents

#### **A. Board Composition**

- (1) Size of Board
- (2) Independent Directors
- (3) Director Qualifications
- (4) Majority Vote Policy
- (5) Tenure; Retirement Age
- (6) Change in Personal Circumstances
- (7) Selection of Directors
- (8) Service on Other Public Company Boards
- (9) Board Leadership Structure

#### **B. Board Performance**

- (1) Board Responsibilities and Functions
- (2) Executive Sessions of Non-Employee Directors
- (3) Orientation, Training and Continuing Education of Directors
- (4) Annual Evaluation of the Board’s Performance
- (5) Board Compensation

#### **C. Board Access to Senior Management and Outside Advisors**

#### **D. Board Meeting Procedures**

- (1) Selection of Agenda Items
- (2) Board Materials Distributed in Advance
- (3) Meeting Attendance

#### **E. Board Committees**

- (1) Establishment of Committees
- (2) Permanent Committees
- (3) Membership of Permanent Committees
- (4) Committee Charters

#### **F. Board Review of Management Succession Planning**

#### **G. Board Review of Risks**

#### **H. Interpretation and Amendment of Corporate Governance Principles**

## **A. Board Composition**

### **1. Size of Board.**

The Company's Bylaws provide that the Board shall have no fewer than five and no more than fifteen members, with the precise number to be set by the Board from time to time. The number of directors selected by the Board shall be of a size that facilitates substantive discussion in which each director can participate.

### **2. Independent Directors.**

It is the policy of the Board, consistent with New York Stock Exchange listing standards, that at least a majority of the Board members shall be independent directors. The Board shall determine on an annual basis whether each director qualifies as an "independent director" within the meaning of the New York Stock Exchange listing standards. If the resignation of an incumbent independent director would result in the number of independent directors falling below a majority, the Nominating, Environmental, Social and Governance Committee (the "Nominating Committee") shall nominate, and the Board shall appoint, a replacement independent director as soon as practicable. The Board shall also determine on an annual basis whether each member of the Audit Committee and the Compensation Committee qualifies as "independent" within the meaning the New York Stock Exchange listing standards.

The Company's Code of Business Conduct and Ethics and the Conflicts of Interest Policy shall be applicable to each director. Waivers of either policy for any director or executive officer, require the approval of the Nominating Committee.

### **3. Director Qualifications.**

The Nominating Committee is responsible for developing and reviewing with the Board the appropriate qualifications required of Board members. In developing these qualifications, the Nominating Committee should consider general qualifications such as experience in an executive leadership role, experience in the consumer products industry, experience as a board member of a public company, business judgment, diversity, stature, lack of conflicts of interest, integrity, ethics, commitment to the goal of maximizing stockholder value and any evolving needs of the Board.

### **4. Majority Vote Policy.**

The Company's Bylaws provide for directors to be elected by a majority of the votes cast in an uncontested election and by plurality of the votes cast in a contested election. If, in an uncontested election of directors, the votes cast for a director do not exceed 50% of the votes cast, the director will submit his or her resignation in accordance with the provisions of the Bylaws.

The Nominating Committee is responsible for considering resignations submitted under this circumstance and for determining whether such resignation should be accepted or rejected by the Board. In the event that all members of the Nominating Committee do not receive a majority of the votes cast in an uncontested election, then the Board of Directors will consider whether such resignations should be accepted or rejected.

After the Nominating Committee determines what action to take, the Board will consider and act on such recommendation. The Board will make such determination within 90 days of the certification of the stockholder vote and will promptly disclose its decision in a filing with the Securities and Exchange Commission.

A director that submits his or her resignation in accordance with the Bylaws, will not participate in the action or deliberations of the Nominating Committee or the Board regarding his or her resignation. However, if three or fewer directors receive a sufficient vote for re-election, then all directors may participate in the action or deliberations regarding whether to accept resignations submitted.

5. Tenure; Retirement Age.

The Board does not believe it should limit the number of terms an individual may serve as a director; however, the Board generally will not re-nominate a director at the Annual Meeting of Stockholders following his or her 72<sup>nd</sup> birthday. From time to time, the Board may re-nominate a director after he or she reaches age 72 if it believes that nomination is in the best interests of the Company's stockholders.

6. Change in Personal Circumstances.

The Board does not believe that directors who experience a change in their personal circumstances, including a change in their principal employment should necessarily leave the Board. However, any director who experiences a significant change to his or her principal employment or circumstances that reasonably may have an adverse effect on a director's service on the Board or the Company's business or reputation, should promptly tender a resignation to the Board. The Nominating Committee shall then review the appropriateness of that director's continued service on the Board in light of the new circumstances and make a recommendation to the Board as to whether to accept the resignation.

7. Selection of Directors.

The Nominating Committee selects director candidates on the basis of how well the candidates meet the qualifications developed by that Committee and, if already serving as a director of the Company, the director's past meeting attendance and participation, and the contributions the director makes in providing advice and guidance to the Board and management of the Company. The Nominating Committee shall recommend to the Board candidates for election to serve for a full term as directors, and the Board shall nominate directors for election by the Company's stockholders. If there is a vacancy in a director position, the Nominating Committee shall make recommendations to the Board for the appointment of a director to fill the vacancy for the remainder of the term.

8. Service on Other Public Company Boards.

Directors must obtain approval from the Chair of the Nominating Committee before accepting any offer to serve as a director of another public company.

To ensure that all directors have sufficient time to devote proper attention to their responsibilities, the Chief Executive Officer of the Company and any other directors who are Chief Executive Officers of public companies shall not serve on more than one public company boards in addition to the Company's Board. This limitation shall not include the board of any subsidiary or affiliate of a company by which the director is employed. Directors who are not fully employed shall not serve on more than three public company boards in addition to the Company's Board. Positions may be held in excess of these limits if the Board determines that doing so would not impair a director's ability to serve effectively on the Company's Board.

No member of the Company's Audit Committee may serve on the audit committee of more than two other publicly traded companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee of the Board.

9. Board Leadership Structure.

The Nominating Committee shall periodically assess the Board's leadership structure and recommend to the Board whether it is in the best interests of the Company and its stockholders to combine or separate the roles of the Chairman of the Board and the Chief Executive Officer.

The Chair of the Board may be an independent director, non-independent director or member of management and must be elected by the Board. The Chair of the Board and the Chief Executive Officer position may be filled by the same individual. If the Board appoints an Executive Chairman of the Board, or any other non-independent director as Chairman, the independent directors on the Board shall elect one director whom the Board has determined is "independent" under New York Stock Exchange listing standards to serve as the Lead Director.

The Chair of the Board shall be responsible for:

- (a) presiding at all Board and Stockholder meetings;
- (b) presiding at all executive sessions of the Board (if the Chair is independent);
- (c) establishing Board meeting agendas in consultation with the Chief Executive Officer, the Lead Director (if one is appointed), the chairs of the Board committees and the Secretary of the Company and the Board committees;
- (d) acting as a liaison between the non-employee directors and the Company's management;

- (e) advising Company management of the quality, quantity and timeliness of the flow of information from Company management to enable the Board to effectively and responsibly perform their duties;
- (f) If the Chair is independent, leading the annual performance review of the Chief Executive Officer in conjunction with the Chair of the Compensation Committee;
- (g) facilitating teamwork and communication among non-employee directors;
- (h) maintaining frequent contact with the Chief Executive Officer and/or the Lead Director (if one is appointed); and
- (i) performing such other duties assigned by the Board or requested by the Chief Executive Officer.

The Lead Director, if appointed, shall be responsible for:

- (a) presiding at all executive sessions of the Board;
- (b) working with the Chair on Board meeting agendas;
- (c) facilitating teamwork and communication among non-employee directors;
- (d) leading the annual performance review of the Chief Executive Officer in conjunction with the Chair of the Compensation Committee;
- (e) maintaining frequent contact with the Chair and the Chief Executive Officer; and
- (f) performing such other duties assigned by the Board.

## **B. Board Performance**

### **1. Board Responsibilities and Functions.**

Each director shall act in good faith and exercise his or her duty of care in a manner that he or she believes to be in the best interests of the Company and its stockholders. In fulfilling its responsibility to oversee the performance of the Company's management, the Company's Board performs, either directly or through its committees, the following principal functions:

- (a) oversight of management's effort to increase stockholder value and protect the interests of stockholders;
- (b) oversight of legal compliance and ethical conduct;

- (c) oversight of management's efforts to ensure the integrity, accuracy and completeness of the Company's financial statements and reports to stockholders, the New York Stock Exchange, and the Securities and Exchange Commission;
- (d) general oversight of the business;
- (e) approving long-term corporate strategy;
- (f) approving major management initiatives, including significant acquisitions, divestitures and other transactions;
- (g) selecting, compensating, evaluating, and, when necessary, replacing the Chief Executive Officer and other senior executives;
- (h) selecting director nominees, or in the case of a Board vacancy, new directors, and evaluating the Board's composition;
- (i) establishing a succession plan for the Chief Executive Officer and other senior executives;
- (j) oversight of the Company's risk management process and mitigation of such risks; and
- (k) evaluating Board and its committees processes and performance.

In order to perform these functions, it is expected that directors will attend the meetings of the Board and the committees on which they serve. Each director is also encouraged and expected to attend the Annual Meeting of Stockholders.

2. Executive Sessions of Non-Employee Directors.

Non-employee directors shall meet in executive session, without management participation, on a regularly scheduled basis. At each of these meetings, the Chair of the Board or, if he or she is not a non-employee director, the Lead Director shall preside, or in his or her absence, one of the other non-employee directors shall be selected to preside. If the non-employee directors include one or more directors who is not independent under New York Stock Exchange listing standards, the independent directors will themselves meet in executive session at least once per year.

3. Orientation, Training and Continuing Education of Directors.

To facilitate directors in the performance of their duties and responsibilities, all directors, including new directors, shall be provided with materials regarding the Company's business and operations, governing documents, information on key personnel, and financial information, which will be periodically updated. The Company shall also make available to all directors opportunities for continuing education with respect to the duties and responsibilities of corporate directors, the Company's regulatory environment, applicable federal securities and state corporate laws, corporate governance, board and committee practices and functions, financial principles and standard accounting procedures. The Company shall reimburse directors for reasonable costs incurred while furthering their education.

4. Annual Evaluation of the Board's Performance.

Through an evaluation process administered by the Nominating Committee, the Board shall annually evaluate the performance of the Board and each of its committees. Each committee shall also annually review its own performance.

5. Board Compensation.

The compensation of non-employee directors of the Company is designed to ensure that the Company can attract and retain qualified directors of outstanding ability with a high degree of experience and expertise. The amount and form of non-employee directors' compensation is annually recommended by the Nominating Committee to the Board after review. The Nominating Committee may consider how such compensation compares with the compensation provided to directors of other companies with comparable levels of assets and revenues.

The structure of fees to non-employee directors is designed to provide increased compensation for those directors whose duties require additional expenditures of time and effort. To further align the Board's interests with the interests of stockholders, a significant portion of directors' compensation should be paid in the form of equity. Directors are encouraged to own a significant number of shares of Company common stock, as set forth in the Company's Director Stock Ownership Guidelines.

**C. Board Access to Senior Management and Outside Advisors**

The directors of the Company shall have complete access to senior management of the Company and, as necessary and appropriate, to the outside auditors, consultants and other advisors of the Company. The Board shall have the right to retain its own legal counsel, consultants and other advisors independent of the Company, and shall have the right to designate funds to be used for this purpose.

## **D. Board Meeting Procedures**

### 1. Selection of Agenda Items.

The Chair of the Board, in consultation with the Lead Director (if one is appointed), the Chief Executive Officer, the Secretary, or other members of management, shall establish the agenda for each Board meeting. Each director is free to suggest the inclusion of items on the agenda for any Board meeting.

### 2. Board Materials Distributed in Advance.

Information and data that is important to the Board's understanding of the business to be discussed at an upcoming Board meeting will generally be distributed in writing to the Board members sufficiently in advance of the meeting to permit meaningful review.

### 3. Meeting Attendance

The Board and committees may take action by unanimous written consent of all of its members. Directors may attend any meeting by phone or by video conference. In the event that a director has a conflict or if the Board determines that the director has a conflict of interest in the subject matter being discussed, the director may recuse himself or herself from the discussion.

## **E. Board Committees**

### 1. Establishment of Committees.

From time to time the Board may determine to form a new committee or disband a current committee. The current Board committees are the Executive, Audit, Compensation, and Nominating, Environmental, Social and Governance Committees.

### 2. Permanent Committees.

For so long as the Company is a public company listed on the New York Stock Exchange, there shall be an Audit Committee, a Compensation Committee, and a Nominating Committee.

### 3. Membership of Permanent Committees.

Membership on the Audit Committee, the Compensation Committee, and the Nominating Committee shall be limited to those directors whom the Board has determined are independent under New York Stock Exchange listing standards. Directors may serve on more than one committee for which he or she qualifies. The Nominating Committee will periodically consider and recommend changes to the composition of the committees and the committee's respective chairs.



#### 4. Committee Charters.

Each of the following committees shall establish, and the Board shall approve, formal charters in order to define the Committee's responsibilities and role in ensuring proper and effective corporate governance: (a) Audit Committee; (b) Compensation Committee; (c) Nominating Committee; and (d) Executive Committee. The charters of the Audit Committee, the Compensation Committee and the Nominating Committee shall address those matters required by the New York Stock Exchange listing standards with respect to that committee. Each charter shall be made available on the Company's website.

The Board shall have the authority to delegate any additional duties not already provided for in the committees charters, other than those prohibited by the Company's Bylaws, from time to time.

#### **F. Board Review of Management Succession Planning**

The Board shall annually review a management succession plan for the Chief Executive Officer and other key senior leadership positions in the Company in both emergency situations and ordinary course of business. The assessment shall include career paths for senior management.

#### **G. Board Review of Risks**

The Board shall annually review an assessment of the Company's risks and oversee the strategy and process for managing those risks. The Audit Committee oversees external, strategic, operational and financial and compliance risks. The Compensation Committee oversees the management of risks relating to the Company's compensation programs and practices and risks relating to compensation paid to the Company's executives. The Nominating Committee manages risks associated with the independence of the Board, potential conflicts of interest and the Company's corporate governance structure, as well as management of risks associated with environmental, health and safety, diversity, philanthropy, global citizenship, reputational risk and sustainability.

#### **H. Interpretation and Amendment of Corporate Governance Principles**

These Corporate Governance Principles shall be interpreted by the Board and shall be subject to amendment by the Board.