

Fortune Brands, Inc.

Audit Committee Charter

Purpose

The purpose of the Audit Committee is to assist the Board of Directors (“Board”) in overseeing (1) the integrity of the financial statements and the financial reporting process of the Company, (2) compliance by the Company with legal and regulatory requirements, (3) independence and qualifications of the Company’s external auditors and (4) performance of the Company’s external and internal auditors.

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 standard set forth in Rule 10 A-3 under the Securities Exchange Act of 1934. The members shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee.

Authority and Responsibilities

The Audit Committee shall:

Independent Auditors

- Retain (subject to shareholder ratification) a firm of independent certified public accountants to serve as the Company’s principal independent auditors. The independent auditors are accountable to the Audit Committee which has the ultimate authority and responsibility to appoint and retain (subject to shareholder approval), evaluate and terminate the auditors.
- 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 with the independent auditors the matters required to be discussed by Statement on Auditing Standards number 61 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.
- Discuss with the independent auditors 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.”

- Discuss with the auditors the auditors' independence and obtain the letter required by the Independence Standards Board Standard No. 1 confirming the auditors' independence.
- Review annually a written report prepared by the independent auditors 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.
- Approve all 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. major issues regarding accounting and auditing principles and practices, including all critical accounting policies;
 3. the adequacy of internal controls and procedures that are used to ensure the accuracy and completeness of the Company's financial statements;
 4. the quarterly certifications by the Chief Executive Officer and Chief Financial Officer regarding the accuracy and completeness of the Company's financial statements and Securities and Exchange Commission ("SEC") reports and the adequacy of internal controls and procedures; and
 5. the Company's press releases and conference call scripts with respect to earnings announcements, as well as financial information and earnings guidance provided to analysts and rating agencies.
- Review the Company's policies with respect to risk assessment and risk management. Discuss the Company's major financial risk exposures and the steps management has taken to 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 internal audit staffing levels and qualifications, annual expense budgets, and any changes in the duties of the Chief Internal Auditor.
- Meet separately with the Chief Internal Auditor on a quarterly basis.

Other Responsibilities

- 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.
- Review the activities of the Corporate Compliance Committee and its annual report regarding Company-wide compliance programs.
- 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.
- 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 Audit Committee or the Chairman of the Audit Committee.
- Prepare a report to be included in the Company's annual proxy statement disclosing whether the Audit 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 findings to the Board on a regular basis and make such recommendations to the Board as deemed appropriate.
- Perform such other duties in connection with the Company's financial reporting, audit procedures and system of internal control as are requested from time to time by the Board.
- Review and reassess the adequacy of this Charter annually, submit it to the Board for approval, and disclose in the Company's annual proxy statement that the Committee has a written charter.
- Annually evaluate the performance of the Audit Committee and report the results of this evaluation to the Board.

While the Audit 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 Audit Committee's responsibility is to monitor and oversee these processes.