



## **LA-Z-BOY INCORPORATED AUDIT COMMITTEE CHARTER**

### ***Purpose of the Audit Committee***

The Audit Committee assists the Board of Directors in its oversight of (a) the integrity and quality of the processes and practices of the company with respect to financial reporting, (b) management of business and financial risk, (c) compliance with significant legal, regulatory and ethical requirements, (d) the qualifications and independence of the independent registered public accounting firm (the “independent auditor”), and (e) the effectiveness of the Company’s independent auditor and internal audit function.

### ***Responsibilities***

The Committee is directly responsible for the appointment, termination, compensation and oversight of the Company’s independent auditor (including resolution of any disagreements between management and the independent auditor regarding financial reporting). The independent auditor shall report directly to the Committee. With respect to all other matters, the role of the Audit Committee is one of oversight and as such the Committee relies on the expertise and knowledge of management, internal auditors, the independent auditor and other experts. Management of the Company is responsible for determining that the Company’s financial statements are fairly presented in accordance with generally accepted accounting principles. The independent auditor is responsible for auditing and reporting on the Company’s financial statements. It is not the responsibility of the Committee to plan or conduct audits, to determine the fairness or accuracy of financial statements, to provide assurance of compliance with laws and regulations, or to provide assurance with respect to the adequacy of internal policies, practices, procedures or controls.

### ***Membership***

The Committee shall consist of at least three Directors who have no relationship with the Company that might interfere with the exercise of their independent judgment. The Committee members shall satisfy the independence, financial literacy and expertise requirements of the New

York Stock Exchange as interpreted by the Board of Directors and any rules adopted by the Securities and Exchange Committee pursuant to Section 10A(m)(3) of the Securities Exchange Act of 1934. The Committee members, including the Chairman, shall be appointed by the Board of Directors.

**Authority and Funding**

The Committee has the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all Company books, records, facilities and personnel.

The Company will provide appropriate funding for the Committee, as determined by the Committee, in its capacity as a committee of the board of directors, for payment of:

- (i) Compensation to any independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company;
- (ii) Compensation to any advisers employed by the Committee under the first paragraph of this section; and
- (iii) Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

**Duties**

The Committee's specific duties are set forth in the following table:

Duty	Minimum Frequency
With Respect to the Independent Auditor:	
• Select and retain the independent auditor.	Annually
• Pre-approve audit fees charged by the independent auditor.	Annually
• Evaluate the performance, qualifications and independence of the independent auditor, including obtaining and reviewing a report by the independent auditor describing	

<b>Duty</b>	<b>Minimum Frequency</b>
a) the firm's internal quality-control procedures, b) 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 c) (to assess the auditor's independence) all relationships between the independent auditor and the Company.	Annually
<ul style="list-style-type: none"> <li>• Approve, as appropriate, audit, audit-related and non-audit services proposed to be performed by the independent auditor.</li> </ul>	As Needed
<ul style="list-style-type: none"> <li>• Review the annual audit plan of the independent auditor</li> </ul>	Annually
<ul style="list-style-type: none"> <li>• Meet in separate executive session with the independent auditor to provide a forum for private comments including discussion of any restrictions on audit scope or access to required information or resources.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>• Establish hiring policies with respect to employees or former employees of the independent auditor.</li> </ul>	Annually
<b>With Respect to Accounting and Financial Control Matters:</b>	
<ul style="list-style-type: none"> <li>• Review with financial management and the independent auditor any significant accounting developments including emerging issues.</li> </ul>	As Needed
<ul style="list-style-type: none"> <li>• Review with financial management and the independent auditor the company's critical accounting policies.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>• Review with management, the independent auditor and the internal auditor a) the adequacy of the Company's internal controls and b) significant findings and recommendations of the auditors and management's responses thereto.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>• Review and discuss with the Company's counsel significant legal and environmental matters.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>• Review with financial management and the independent auditor,               <ul style="list-style-type: none"> <li>a) the Company's annual financial results and disclosure, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations,"</li> <li>b) the independent auditor's audit of the financial</li> </ul> </li> </ul>	

<b>Duty</b>	<b>Minimum Frequency</b>
<p>statements and its report thereon,  c) any significant changes required in the audit plan  d) any serious difficulties or disputes with management encountered during the audit, and resolve any such disputes, and  e) other matters related to the audit which are to be communicated to the Committee under the auditing standards of the Public Company Accounting Oversight Board.</p>	Annually
<ul style="list-style-type: none"> <li>Review with management and the independent auditor, the Company's interim financial results and disclosure, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing with the Securities and Exchange Commission of the related Form 10-Q and discuss any items required to be communicated by the independent auditor under the auditing standards of the Public Company Accounting Oversight Board.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>With respect to each periodic filing with the Securities and Exchange Commission review a) management's disclosure to the Committee under Section 302 of the Sarbanes-Oxley Act, and b) the contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of that Act.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>Review with management and the independent auditor policies and practices with respect to the preparation and dissemination of earnings press releases, as well as financial information and earnings guidance.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>Discuss the Company's earnings press releases, as well as financial information and earnings guidance.</li> </ul>	As Needed
<ul style="list-style-type: none"> <li>Review with management the Company's compliance with applicable laws and regulations and the results of examinations conducted by regulatory agencies.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Meet in executive session with financial management to provide a forum for their private comments.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>Review procedures, and monitor responses thereto, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal</li> </ul>	

<b>Duty</b>	<b>Minimum Frequency</b>
accounting controls, or general ethical conduct, and the confidential anonymous submissions by employees of concerns regarding questionable accounting controls or ethical behavior.	Quarterly
<ul style="list-style-type: none"> <li>Discuss with management the assessment of major financial business risks and plans, policies and practices for dealing with such risks.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review with management the results of monitoring the Company's code of conduct.</li> </ul>	Annually
<b>With Respect to the Internal Audit Function:</b>	
<ul style="list-style-type: none"> <li>Review the performance of the head of the Internal Audit department</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review the appointment, compensation and replacement of the head of the Internal Audit department.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review the Internal Audit department's annual audit plan, including any subsequent significant modifications to that plan.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review the Internal Audit department budget and adequacy of staffing.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review and discuss with the head of the Internal Audit department the results of audits conducted and management responses thereto.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>Meet in executive session with the head of the Internal Audit department to provide a forum for private comments including discussion of any restrictions on audit scope or access to required information or resources</li> </ul>	Semi-annually
<b>With Respect to the Audit Committee:</b>	
<ul style="list-style-type: none"> <li>Meet at least 4 times per year and more frequently if circumstances require.</li> </ul>	Quarterly and as needed
<ul style="list-style-type: none"> <li>Evaluate the performance of the Audit Committee</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review this charter and recommend any proposed changes to the Board of Directors.</li> </ul>	Annually
<b>With Respect to Communications:</b>	
<ul style="list-style-type: none"> <li>Report to the Board of Directors on significant matters covered at each Audit Committee meeting.</li> </ul>	As Needed
<ul style="list-style-type: none"> <li>Prepare the report that the Securities and Exchange Commission rules require be included in the Company's annual proxy statement.</li> </ul>	Annually