

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. In addition, the Audit Committee shall prepare Audit Committee reports as required by the rules of the Securities and Exchange Commission ("SEC") to be included in the Company's annual meeting proxy statements.

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. Each member of the Committee shall be financially literate and at least one member of the Audit Committee shall be, in the judgement of the Board, an "audit committee financial expert" as defined by the SEC. Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies. The members shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee. The Board shall remove any member of the Committee who has a conflict of interest or no longer meets these qualifications.

Authority and Responsibilities

The Audit Committee shall:

Independent Auditors

- Select, retain (subject to shareholder ratification), evaluate and terminate when appropriate 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 sole authority and responsibility to appoint and retain (subject to shareholder ratification), compensate, 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 the following with the independent auditors :
 1. the matters required to be discussed by Statement on Auditing Standards number 61, as amended and superseded from time to time, including: the auditors' responsibilities, difficulties and problems encountered in performing the audit, including any restrictions on the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 (including any disagreements with management).
 2. 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;"
 3. major issues regarding accounting and auditing principles and practices and financial statement presentations, including all critical accounting policies and any significant changes in the Company's selection or application of accounting principles;
 4. the adequacy of internal controls and procedures that are used to ensure the accuracy and completeness of the Company's financial statements;
 5. significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
 6. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements; and
 7. the auditors' independence and obtain the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the audit committee concerning independence.
- Review annually a written report prepared by the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board 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.
- Evaluate the lead partner of the independent auditor team and ensure the regular rotation of the lead audit partner as required by law.

- Evaluate whether, in order to assure continuing auditor independence, there should be regular rotation of the independent auditing firm.
- Evaluate the qualifications, performance and independence of the independent auditor and present its conclusions with respect to the independent auditor to the Board.
- Pre-approve all auditing services, internal control-related services and permitted 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 and financial statement presentations, including all critical accounting policies and any significant changes in the Company's selection or application of accounting principles;
 3. the adequacy of internal controls and procedures that are used to ensure the accuracy and completeness of the Company's financial statements;
 4. significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
 5. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements;
 6. the annual and quarterly certifications by the Chief Executive Officer and Chief Financial Officer regarding the accuracy and completeness of the Company's financial statements and SEC reports and the adequacy of internal controls and procedures; and
 7. the Company's press releases and conference call scripts with respect to earnings announcements (including the use of "pro forma" or "adjusted" non-GAAP information), 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. The Committee will periodically review and approve related person transactions and conflicts of interest involving, directly or indirectly, any director, executive officer of the Company and the Chief Executive Officers of the first tier operating companies.
- 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.
- Determine appropriate funding for the payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company and to any advisors employed by the Audit Committee, as well as appropriate funding for the payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties. The Company shall provide appropriate funding as determined by 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.
- Undertake such additional activities within the scope of its functions as the Committee may determine or as may otherwise be required by law, the Company's By-laws or charter or by directive of 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; and
- 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.