

**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
MASCO CORPORATION**

December 16, 2014

I. MISSION

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Masco Corporation (the “Company”) shall assist the Board in fulfilling its independent and objective oversight responsibilities. The Committee will assist Board oversight of (1) the integrity of the Company’s financial statements, (2) the qualifications, independence and performance of the Company’s independent registered public accounting firm (“independent auditors”), (3) the performance of the Company’s internal audit function, and (4) compliance by the Company with legal and regulatory requirements and by employees and officers with the Company’s Code of Business Ethics. The Committee strives to maintain open communications and has an effective working relationship with the Board of Directors, the independent auditors, the internal auditors and the management of the Company.

II. MEMBERSHIP AND MEETINGS

The Committee shall consist of at least three Directors of the Company. The membership of the Committee shall qualify under the independence and experience requirements of applicable law and the New York Stock Exchange. The Corporate Governance and Nominating Committee shall recommend nominees for appointment to the Committee annually and as vacancies or newly created positions occur. Committee members shall be appointed by the Board and may be removed by the Board at any time, and the Board will appoint a Committee Chairperson.

The Committee will meet as often as required to discharge its responsibilities, no less than four times a year. The Committee will meet from time to time in executive sessions without management participation. A majority of the members of the Committee shall constitute a quorum for the transaction of business. The Committee shall meet separately, periodically, with appropriate members of management, with internal auditors or other personnel responsible for the internal audit function and with the independent auditors. The Committee may delegate its

authority to subcommittees or the Chairperson of the Committee when it deems it appropriate and in the best interests of the Company.

III. RESPONSIBILITIES

Financial Statements; Disclosure and Other Risk Management Matters

The Committee shall review with management, the internal auditors and the independent auditors, as required by the New York Stock Exchange or as the Committee deems appropriate:

- the annual audited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and management's certifications with respect to these financial statements, prior to the filing of the Company's Form 10-K;
- the quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and management's certifications with respect to these financial statements, prior to the filing of the Company's Form 10-Q;
- any analyses or other written communications prepared by management, the internal auditors or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
- the critical accounting policies and practices of the Company;
- the effect of off-balance sheet transactions and structures on the financial statements;
- any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; and
- the effect of regulatory and accounting initiatives on the financial statements.

The Committee shall review, in conjunction with management, the Company's policies with respect to the Company's earnings press releases, financial information and earnings guidance provided to analysts and rating agencies, including the types of information to be disclosed and the types of presentation to be made, paying particular attention to the use of "pro forma" or "adjusted" non-GAAP information.

The Committee shall discuss with the Chief Executive Officer and Chief Financial Officer of the Company their review of the Company's internal controls related to financial reporting and disclosure controls and procedures, including whether there are any significant deficiencies in the design or operation of such controls and procedures, material weaknesses in such controls and procedures, any corrective actions taken with regard to such deficiencies and weaknesses and any fraud involving management or other employees with a significant role in such controls and procedures.

The Committee shall discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

The Committee shall review and discuss with the independent auditors any audit problems or difficulties and management's response thereto, including those matters required to be discussed with the Committee by the independent auditors pursuant to applicable PCAOB rules:

- any restrictions on the scope of the independent auditors' activities or access to requested information;
- any accounting adjustments that were noted or proposed by the independent auditors but were not effected (as immaterial or otherwise);
- any communications involving matters of potential significance between the independent auditors for the Company and the independent auditors' national office regarding auditing or accounting issues presented by the engagement;
- any management or internal control letter issued, or proposed to be issued, by the independent auditors; and

- any significant disagreements between the Company's management and the independent auditors.

The Committee shall have the sole authority over the resolution of any disagreements between management and the independent auditors regarding the Company's financial reporting.

The Committee shall review the Company's guidelines and policies with respect to risk assessment and risk management, including discussing with management the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.

Independent Auditors

The Committee has the sole authority to appoint, compensate, retain, oversee and terminate the independent auditors of the Company (subject to any required shareholder ratification), including sole authority to approve all audit and non-audit services to be provided by the independent auditors and all engagement fees and terms. The Committee shall pre-approve each such audit and non-audit service to be provided by the Company's independent auditors. The independent auditors must report directly to the Committee. The Committee may consult with management in the decision-making process, but may not delegate this authority to management. The Committee may, from time to time, delegate its authority to pre-approve audit and non-audit services on a preliminary basis to one or more Committee members, provided that such designee(s) present any such approvals to the full Committee at the next Committee meeting.

The Committee shall review and approve the scope and staffing of the independent auditors' annual audit plan.

The Committee shall evaluate the independent auditors' qualifications, performance and independence, and shall present its conclusions with respect to the independent auditors to the full Board on at least an annual basis. As part of such evaluation, at least annually, the Committee shall:

- obtain and review a report or reports from the Company's independent auditors describing:

- ◆ the independent auditors' internal quality-control procedures;
 - ◆ any material issues raised by (i) the most recent internal quality-control review or peer review of the independent auditors' firm, or (ii) any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the independent auditors' firm; and any steps taken to deal with any such issues;
 - ◆ all relationships between the independent auditors and the Company; and
 - ◆ such other matters as to which the independent auditors are required to report.
- review and evaluate the lead audit partner of the independent auditors' team(s), and assure the regular rotation of the lead audit partner as required by law;
 - consider whether the independent auditors should be rotated, so as to assure continuing auditor independence; and
 - obtain the opinion of management and the internal auditors of the independent auditors' performance.

The Committee shall establish policies for the Company's hiring of current or former employees of the independent auditors.

Internal Auditors

The Committee shall approve the appointment and replacement of the head of the Company's internal audit department who shall report functionally to the Audit Committee, in addition to all other reporting obligations such individual may have within the Company.

At least annually, the Committee shall evaluate the performance, responsibilities, budget and staffing of the Company's internal audit function and review and approve the internal audit plan. Such evaluation may include a review of the responsibilities, budget and staffing of the Company's internal audit function with management and the independent auditors. The Committee shall review the significant issues reported to management by the internal audit

department and management's responses thereto. The Committee shall also review and approve the department's Charter, the independence and authority of the department's reporting obligations and its qualifications to perform its duties.

Other Matters

The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to meet with any members of, or advisors to, the Committee. The Committee has the authority to retain and terminate, and shall have sole authority over any independent legal, financial or other advisors as it may consider necessary to carry out its responsibilities under this charter, without conferring with or obtaining the approval of management or the full Board.

The Committee shall have available appropriate funding from the Company as determined by the Committee for payment of:

- compensation to any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- compensation to any advisors employed by the Committee; and
- ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Code of Business Ethics

The Committee shall periodically review and reassess the adequacy of the Company's Code of Business Ethics. The Committee shall periodically obtain updates from management, internal audit and the General Counsel of the Company, as the Committee deems appropriate, regarding compliance by employees and officers with legal, tax and other regulatory agency rules and the Company's Code of Business Ethics, and updates on any other antifraud or compliance programs instituted by the Company. Any waiver of the Code of Business Ethics for executive officers or senior financial officers may only be authorized by the Board or the Audit Committee, and will be promptly disclosed to the Company's shareholders. The Committee will also oversee the process by which employees may report illegal or unethical behavior including cases alleging "insider trading," sexual harassment and breach of non-discrimination laws.

The Committee shall establish procedures for:

- the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
- the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee shall report on any of the matters mentioned above as they relate to compliance by Directors to the Corporate Governance and Nominating Committee, as the Committee deems appropriate.

Committee Charter

The Committee shall annually review and assess the adequacy of the Committee's Charter and recommend any proposed changes to the Board for approval.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. It is management's responsibility to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. The independent auditors' responsibility is to plan and conduct audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Furthermore, while the Committee is responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is the responsibility of the Chief Executive Officer and senior management to determine the appropriate level of the Company's exposure to risk.

IV. REPORTING

The Committee will regularly report to the Board of Directors. This report shall include a review of any issues that arise with respect to: the quality or integrity of the Company's financial statements; the Company's compliance with legal and regulatory requirements; the qualifications, independence and performance of the Company's independent auditors; the performance of the internal audit function; the administration of the Company's Code of Business Ethics as it relates to employees and officers; and any other matters that the Committee deems appropriate or is requested to be included by the Board. At least annually, the Committee shall evaluate its own performance and report to the Board on such evaluation. When presenting any recommendation or advice to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision. In addition, the audit committee report that the Securities and Exchange Commission rules require to be included in the Company's annual proxy statement shall be prepared under the direction of the Committee.