



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

February 7, 2025

## **1. Purpose and Authority**

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 shall assist the Board with 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 Ethics. The Committee strives to maintain open communications and to have an effective working relationship with the Board of Directors, the independent auditors, the internal auditors and the management of the Company.

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 (“GAAP”) and applicable rules and regulations. It is management’s responsibility to determine that the Company’s financial statements are complete and accurate and are in accordance with GAAP. The independent auditors’ responsibility is to plan and conduct audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the “PCAOB”). 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 identify and mitigate the Company’s exposure to risk.

## **2. Membership and Meetings**

### Independence

The Committee shall consist of at least three members. Each member of the Committee shall be determined by the Board to qualify as an independent director and have the requisite experience under applicable law and the New York Stock Exchange listing standards, as they may be amended from time to time (“NYSE Listing

Standards”). Accordingly, each member shall, in the judgment of the Board, have the ability to read and understand the Company’s basic financial statements. At least one member of the Committee must be, in the judgment of the Board, an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management expertise. 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. The Board will appoint a Committee Chair.

### Meetings

The Committee will meet as often as required to discharge its responsibilities under this charter, and no less than four times a year. The Chair of the Committee shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this charter.

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.

### Service on Other Audit Committees

The Company does not limit the number of public company audit committees on which a Committee member serves. If a Committee member intends to simultaneously serve on the audit committees of more than three public companies (including this Committee), the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on this Committee and the Company must disclose any such determination in its annual proxy statement for its annual meeting.

## **3. Responsibilities**

### Financial Statements; Disclosure and Other Risk Management Matters

The Committee shall review and discuss with management, the internal auditors and the independent auditors, as required by the NYSE Listing Standards or as the Committee deems appropriate:

- the annual audited financial statements and quarterly financial statements, including reviewing the Company’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations”;

- any analyses or other written communications prepared by management 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 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 discuss the Company's earnings press releases, as well as review financial information and earnings guidance provided to analysts and rating agencies, including the information to be included in earnings press releases, paying particular attention to the use of "pro forma" or "adjusted" non-GAAP information.

The Committee shall review major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies. The Committee shall discuss with the Chief Executive Officer and Chief Financial Officer of the Company their review of the Company's:

- internal control over financial reporting and disclosure controls and procedures, including whether there are any significant deficiencies and material weaknesses in the design or operation of such controls and procedures which are reasonably likely to affect the Company's ability to record, process, summarize and report financial information, 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; and
- internal controls and procedures related to environmental, social and governance (ESG) public reporting.

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 regularly review 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 significant disagreements between the Company's management and the independent auditors; and
- any critical audit matter to be included in the independent auditor's unqualified report relating to the current financial statements and prior period financial statements, if appropriate.

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.

### Risk Oversight

The Committee shall discuss the Company's policies with respect to risk assessment and risk management, including discussing the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

### Independent Auditors

The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of a registered public accounting firm engaged for the purpose of serving as the Company's independent auditors. The Committee has 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 the Committee Chair, provided that any such approvals are presented 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 and any significant findings from the audit.

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, and provide input to support the performance evaluation and remuneration, of the head of the Company's internal audit department who shall report functionally to the 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.

#### Committee Advisors

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 (collectively, the "advisers") as it may consider necessary to carry out its responsibilities under this charter. Such authority includes the approval of the advisor's fees and other retention terms, 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.

#### Ethics and Compliance Program

The Committee shall periodically review and reassess the adequacy of the Company's Code of 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 with legal, tax and other regulatory agency rules and the Company's Code of Ethics, and updates on any other antifraud or compliance programs instituted by the Company. Any waiver of the Code of Ethics for directors, 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.

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.

#### 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.

#### **4. Delegation**

The Committee may delegate its authority to subcommittees or the Chair of the Committee when it deems it appropriate and in the best interests of the Company.

#### **5. Board Reporting**

The Committee will report to the Board regarding the Committee's deliberations and recommendations at the Board's next meeting. 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.

#### **6. Committee Evaluation**

Annually, the Committee shall evaluate its own performance and report to the Board on such evaluation.