

# OWENS CORNING AUDIT COMMITTEE CHARTER

## AUTHORITY AND PURPOSE

The purpose of the Owens Corning Audit Committee (the “Committee”) is to assist the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation, including (a) assisting the Board’s oversight of (i) the integrity of the Corporation’s financial statements, (ii) the Corporation’s compliance with legal and regulatory requirements, (iii) the Corporation’s independent public accountants’ qualifications and independence, and (iv) the performance of the independent public accountants and the Corporation’s internal audit function, and (b) preparing the audit committee report required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission (the “SEC”) for inclusion in the Corporation’s annual proxy statement, or, if the Corporation does not file a proxy statement, in the Corporation’s annual report on Form 10-K filed with the SEC.

## COMPOSITION OF THE COMMITTEE

The Committee shall have at least three members, with one member serving as the Chair, who are appointed by the Board on the recommendation of the Governance and Nominating Committee. The members of the Committee shall qualify as independent directors (“Independent Directors”) under the listing standards of the New York Stock Exchange (the “NYSE”) and in accordance with the applicable requirements of Rule 10A-3(b)(1) of the Securities Exchange Act of 1934. The members of the Committee shall also satisfy the financial expertise requirements of the NYSE, the independence and financial expertise requirements of the Sarbanes-Oxley Act of 2002, and any other applicable rules and regulations of the SEC.

Each member of the Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, at least one member of the Committee must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment. Further, either (i) at least one member of the Committee must be an “audit committee financial expert”, as such term is defined in the rules and regulations promulgated by the SEC, and the Corporation must disclose the name of the expert and whether the expert qualifies as an independent director under NYSE listing standards, or (ii) if no member of the Committee is an “audit committee financial expert”, the Committee shall so inform the Corporation.

Director and committee member compensation must be the sole remuneration received from the Corporation by Committee members.

No director may serve as a member of the Committee if such director serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous

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service would not impair the ability of such director effectively to serve on the Committee. Any such determination must be disclosed in the Corporation's annual proxy statement, or, if the Corporation does not file a proxy statement, in the Corporation's annual report on Form 10-K filed with the SEC.

Vacancies on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the remaining Independent Directors.

**MEETINGS AND PROCEDURE**

The Committee shall hold regular meetings at such dates, times and places as it may determine from time to time, but not less than five per year. The Committee Chair or a majority of the members of the Committee may also call a special meeting of the Committee. The Committee, in its discretion, may request that any directors, officers, members of management or other persons whose advice and counsel are sought by the Committee, attend any meetings of the Committee (or portions thereof) to provide such pertinent information as the Committee requests. The Committee shall meet periodically with members of management, the internal auditors and the independent public accountants in separate executive sessions.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Corporation.

**RESPONSIBILITIES**

**Financial Reporting:**

The responsibility of the Committee in the area of financial reporting is to provide independent and objective oversight of the Corporation's accounting functions and internal controls so as to promote the integrity of the Corporation's financial statements. To accomplish this, the Committee will:

- Oversee the external audit, including:
  - In its sole discretion, appoint, retain, evaluate and, where appropriate, replace, the independent public accountants for each fiscal year. The Committee shall be directly responsible for the compensation and oversight of the independent public accountants (including resolution of disagreements between management and the independent public accountants and pre-approval of all non-audit services). The independent public accountants will report directly to the Committee.

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- Review and, in its sole discretion, approve in advance the Corporation’s independent public accountants’ annual engagement letter, including the proposed fees contained therein, as well as all audit and all permitted non-audit engagements and relationships between the Corporation and such public accountants (which approval should be made after receiving input from the Corporation’s management). Approval of audit and permitted non-audit services may also be made by one or more members of the Committee as shall be designated by the Committee. The persons granting such approval shall report such approval to the Committee at the next scheduled meeting.
- Review the qualifications, performance and independence of the Corporation’s independent public accountants, including the lead partner of the independent public accountants, and, in its sole discretion, make decisions regarding the replacement or termination of the independent public accountants when circumstances warrant.
- Obtain at least annually from the Corporation’s independent public accountants and review a report describing:
  - the independent public accountants’ internal quality-control procedures;
  - any material issues raised by the most recent internal quality-control review, or peer review, of the independent public accountants, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years, respecting one or more independent audits carried out by the independent public accountants, and any steps taken to deal with any such issues; and
  - all relationships between the independent public accountants and the Corporation, including reports consistent with applicable requirements of the Public Company Accounting Oversight Board regarding the independent public accountants’ communications with the Committee concerning independence.
- Actively engage in a dialogue with the independent public accountants with respect to any disclosed relationships or services that may impact the objectivity and independence of such accountants, and take any appropriate action to satisfy itself of the public accountants’ independence.
- Evaluate whether, in order to assure continuing auditor independence, there should be regular rotation of the Corporation’s independent public accountants.

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- Present its conclusions with respect to the independent public accountants, as well as its review of the lead partner of the independent public accountants and its views on whether there should be a regular rotation of the independent public accountants, to the Board.
- Review the audit results.
- Review the coordination of audit activities between the Corporation’s internal auditors and the independent public accountants.
- Review on a regular basis with the Corporation's independent public accountants:
  - all critical accounting policies and practices to be used;
  - audit problems or difficulties and management’s response, including all matters required to be communicated between the independent public accountants and the Committee consistent with applicable requirements of the Public Company Accounting Oversight Board. In connection therewith, the Committee should review with the independent public accountants the following: any accounting adjustments that were noted or proposed by the independent public accountants but were rejected by management (as immaterial or otherwise); any communications between the audit team and the independent public accountants’ national office respecting auditing or accounting issues presented by the engagement; and any “management” or “internal control” letter issued, or proposed to be issued, by the independent public accountants to the Corporation;
  - alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent public accountants; and
  - other material written communications between the independent public accountants and management, such as any management letter or schedule of unadjusted differences.
- Review and discuss the annual audited financial statements and related materials with the independent public accountants and management, including the Corporation’s disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and recommend to the Board whether the annual audited financial statements should be included in the Corporation's Annual Report on Form 10-K.

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- Prepare the audit committee report required by the rules of the SEC to be included in the Corporation's annual proxy statement.
- Discuss with management and the independent public accountants significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.
- Discuss with management and the independent public accountants the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Corporation's financial statements.
- Review the type and presentation of information to be included in the Corporation's earnings press releases (including the use of any pro forma, adjusted or other non-GAAP financial measures), as well as review any financial information and earnings guidance provided by the Corporation to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and type of presentations to be made). The Committee need not discuss in advance each earnings release or each instance in which the Corporation may provide earnings guidance.
- Review changes in material accounting accruals and reserves made by management.
- Review policies and procedures in place to support and promote accurate and complete quarterly and annual financial reporting.
- Review and discuss with management and the independent public accountants the Corporation's quarterly financial statements, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of its Form 10-Q.
- Facilitate the process of the Board oversight of the Corporation's management of key risks and major financial exposures by:
  - Reviewing and discussing annually and receiving periodic updates on the Corporation's policies and guidelines with respect to identification of its key risks, major financial exposures and related mitigation plans;
  - Overseeing the Corporation's management of key risks and major financial exposures that fall within the specific purview of the Committee;

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- Ensuring that the Board and its committees oversee the Corporation’s management of key risks and major financial exposures within their respective purviews; and
  - Evaluating periodically the effectiveness of the above referenced process of oversight by the Board and its committees.
- Establish clear hiring policies by the Corporation for employees or former employees of the Corporation's independent public accountants.
- Inquire of management and the independent public accountants as to any significant financial reporting issues arising during the year, including any situations where management sought a second opinion from a second public accounting firm, and review the status.
- Inquire of management and the independent public accountants as to whether there are any significant items that have been or might be disputed by tax authorities and review the status of such items.
- Review the impact of significant regulatory changes, proposed regulatory changes and accounting or reporting developments, including significant reporting developments related to the principles of sustainability.
- Engage independent expert advice to the extent the Committee determines it to be appropriate, including retaining, with or without Board approval, independent counsel, accountants, consultants or others, to assist the Committee in fulfilling its duties and responsibilities.
- Receive from the Corporation appropriate funding, as determined by the Committee, for payment of (a) compensation to the Corporation’s independent public accountants engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation, (b) compensation to independent counsel or any other advisors employed by the Committee and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Internal Controls:

The responsibility of the Committee in the area of internal controls is to provide assurance to the Board that management is maintaining effective controls to:

- Foster accurate financial reporting;
- Safeguard assets;

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- Prevent employee conflict of interest and fraud; and
- Promote compliance with pertinent laws and regulations, including environmental compliance.

To accomplish this, the Committee will:

- Evaluate the policies implemented by management to assure the adequacy of internal controls and the financial reporting process, including security surrounding assets and computerized information systems.
- Establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- Review and approve transactions between the Corporation and any related person (as defined in Item 404 of Regulation S-K).
- Discuss with the independent public accountants and management the internal audit department's responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.
- Annually review the performance feedback and the compensation of the Corporation's principal internal auditor to determine that they do not improperly impact the independence of such individual.
- Review with the Corporation's internal auditors the scope of their reviews, their results and any matters that may be at issue with management.
- Review the annual internal audit plan and progress against the plan to determine that audit objectives and scope are adequate to support the Committee's responsibilities.
- Review the initial recommendations and the status of implementation of internal control recommendations made by the independent public accountants and the Corporation's internal auditors.
- Obtain from the Corporation's independent public accountants any information pursuant to Section 10A of the Securities Exchange Act of 1934.
- Review with the chief executive officer and chief financial officer and independent public accountants, periodically, the following:

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- any significant deficiencies or material weaknesses in internal controls identified by management or by the Corporation's independent public accountants;
  - any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls; and
  - any significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.
- Review management's program to monitor compliance with laws and regulations, including environmental compliance, and the code of conduct, and to investigate employee misconduct or fraud.
  - Regularly report its activities to the Board. In connection therewith, the Committee should review with the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the Corporation's independent public accountants, or the performance of the internal audit function.
  - Prepare and review with the Board an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this charter, and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Committee Chair or any other member of the Committee designated by the Committee to make this report.
  - Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Governance and Nominating Committee and the Board for approval.

Limitation of Committee's Role

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 Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent public accountants.