

**JACUZZI BRANDS, INC.**  
**A Delaware corporation**  
**Audit Committee Charter**

Revised December 2, 2003

**Organization**

There shall be a committee of the Board of Directors (“Board”) of Jacuzzi Brands, Inc. (the “Corporation”) to be known as the Audit Committee. The Audit Committee shall be composed of at least three directors who are “independent” and financially literate in accordance with New York Stock Exchange rules. At least one of the committee members shall have accounting or related financial management expertise, as determined by the Board in its business judgment in accordance with New York Stock Exchange Rules. In addition, the Audit Committee shall satisfy the requirements of Rule 10A-3 under the Securities Exchange Act of 1934. The Nominating and Corporate Governance Committee shall recommend nominees for appointment to the Audit Committee annually and as vacancies or newly created positions occur. Audit Committee members shall be appointed by the Board and may be removed by the Board at any time. The Nominating and Corporate Governance Committee shall recommend to the Board, and the Board shall designate, the Chairman of the Audit Committee. The Audit Committee shall be governed by this charter, which has been approved by the Board of Directors.

**Overview**

The purpose of the Audit Committee shall be to provide assistance to the directors in fulfilling their responsibility to the shareholders, potential shareholders and investment community relating to internal accounting and financial controls, reporting practices of the Corporation, the quality and integrity of the financial reports of the Corporation, including the performance, qualifications and independence of the independent auditors and the performance of the persons performing the internal audit function (the “internal auditors”), and the Corporation’s compliance with legal and regulatory requirements. In so doing, the Audit Committee shall maintain free and open means of communications among the directors, the independent auditors, the internal auditors and the management of the Corporation. In discharging its oversight roles, the Audit Committee shall have full access to all books, records, facilities, and personnel of the Corporation and authority to retain outside counsel or other experts as the Audit Committee deems necessary to carry out its duties.

The Corporation shall provide funding, as determined by the Audit Committee, for payment of (i) compensation to the independent auditors (ii) compensation to any advisers employed by the Audit Committee and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

## **Responsibilities**

The primary responsibility of the Audit Committee is to oversee the Corporation's financial reporting process on behalf of the Board and report the results of their activities to the Board. Management is responsible for preparing the Corporation's financial statements and the independent auditors are responsible for auditing those statements. The Audit Committee should take the appropriate actions to set the overall "tone" for quality financial reporting, sound business risk practices and ethical behavior. In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible in order to best react to changing conditions.

In carrying out these responsibilities, the Audit Committee will:

- Review the Audit Committee Charter and Audit Committee performance annually and recommend any changes to the Board for their approval.
- Have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the Audit Committee, as representatives of the Corporation's shareholders. The Audit Committee has the sole authority to appoint, compensate, retain, oversee and terminate the independent auditors (subject, if applicable, to shareholder ratification), and the independent auditors shall report directly to the Audit Committee. The Audit Committee is authorized to resolve any disagreements between management and the independent auditors regarding the Corporation's financial reporting.
- Annually evaluate the qualifications and performance, and recommend to the Board the selection and, where appropriate, the replacement, of the independent auditors. As part of such evaluation, at least annually, the Audit Committee shall obtain and review a report from the independent auditors describing the independent auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the auditing firm; and any steps taken to deal with any such issues; and (to assess the independent auditor's independence) all relationships between the independent auditor and the Corporation. The Audit Committee will present the conclusions of its review of the independent auditor to the Board.
- Review and discuss with the Corporation's independent auditors the written disclosures regarding the auditor's independence in accordance with Independence Standards Board Standard No. 1. Based upon this review and discussion, the Audit Committee will recommend to the Board any action appropriate to satisfy itself as to the independence of the auditor, including, where appropriate, the replacement of the independent auditors.

- Meet with the independent auditors and financial management of the Corporation to review the scope of the proposed audit for the current year and the audit procedures to be utilized. The Audit Committee shall be responsible for pre-approving all audit and non-audit services to be provided by the independent auditors before the auditors are engaged to render any such services. At the conclusion of each audit, discuss with the auditors the matters required to be discussed pursuant to generally accepted auditing standards, by Statement on Auditing Standards No. 61, including any comments or recommendations of the independent auditors.
- Review with the independent auditors, the internal auditors and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Corporation and the Corporation's system to monitor and manage business risk and ethical and legal regulatory compliance programs, and elicit any recommendations for the improvement of such controls and systems or particular areas where new or more detailed controls or systems are desirable.
- Discuss with the independent auditors, the internal auditors and management the Corporation's policies with respect to risk assessment and risk management.
- Review the internal audit function of the Corporation, including the independence and authority of its reporting obligations, the proposed audit plans for the coming year and the coordination of such plans with the independent auditors, and evaluate the performance of the internal audit function.
- Receive prior to each meeting at which the subject is discussed, a summary of findings from completed audits and a progress report on proposed audit plans, with explanations for any deviations from the original plans.
- Review annually with financial management and the Corporation's independent auditors, (i) any analyses or other written communications prepared by management and/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; (ii) the Corporation's accounting policies in light of the Corporation's current operations and current generally accepted accounting principles ("GAAP") and SEC rules and regulations, (iii) any major issues regarding the Corporation's accounting principles and financial statement presentations, including any significant changes in the selection or application of accounting principles; and (iv) the effect of regulatory and accounting initiatives as well as off-balance sheet structures, on the financial statements of the Corporation.
- Review, in conjunction with management, the Corporation's policies generally with respect to its earnings press releases and with respect to financial information and earnings guidance provided to analysts and rating agencies, including in each

case the type and presentation of information to be disclosed and paying particular attention to the use of non-GAAP financial information.

- Review and discuss the interim financial statements, including the related disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, with management and the independent auditors and discuss the results of the independent auditor’s review of the Corporation’s interim financial information. In addition, the Audit Committee shall discuss with the independent auditors other matters required to be communicated by the independent auditors in accordance with applicable generally accepted auditing standards prior to the inclusion of such information in the Corporation’s Form 10-Q. The chair of the Audit Committee may represent the entire committee for purposes of this review.
- Review and discuss the audited financial statements, including the related disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, to be contained in the annual report on Form 10-K and annual shareholders report with management and the independent auditors to determine that the independent auditors are satisfied with the content and disclosure of the financial statements, and recommend to the Board that the Corporation’s audited financial statements be included in the Form 10-K.
- Oversee the Corporation’s overall compliance with legal and regulatory requirements and with its Code of Business Conduct and Ethics.
- Prepare the Audit Committee Report for inclusion in the Corporation’s annual proxy statement in accordance with applicable SEC regulations.
- Oversee the Corporation’s compliance with the written confirmation required by New York Stock Exchange rules annually or upon any change in Audit Committee membership.
- Oversee the Corporation’s compliance with SEC regulations requiring that a copy of this charter be included in the Corporation’s annual proxy statement at least once every three years.
- Periodically, provide sufficient opportunity for the internal auditors, independent auditors and management to meet separately with the members of the Audit Committee, as the Audit Committee deems appropriate. Among the items to be discussed in these meetings may be the results of the independent auditors’ examinations, their evaluation of the Corporation’s financial, accounting and auditing personnel, and the cooperation that the independent auditors received during the course of the audit and interim reviews.
- Review with independent auditor any audit problems or difficulties or management’s response.

- Review accounting and financial human resources and succession planning within the Corporation.
- Establish policies for the Corporation's hiring of current or former employees of the independent auditors.
- Provide regular reports of the matters discussed at each Audit Committee meeting to the Board of Directors.
- Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. The Audit Committee shall be responsible for reviewing any such complaints regarding accounting, internal accounting controls or auditing matters received pursuant to such procedures.
- Investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel or other experts for this purpose if, in its judgment, that is appropriate.