UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number 1-35166

FORTUNE BRANDS HOME & SECURITY, INC.
(Exact name of Registrant as specified in its charter)

DELAWARE **(State or other jurisdiction of incorporation or organization)**	**62-1411546** **(I.R.S. Employer Identification No.)**
520 Lake Cook Road, Deerfield, Illinois **(Address of principal executive offices)**	**60015-5611** **(Zip Code)**

Registrant's telephone number, including area code: (847) 484-4400

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock, par value $0.01 per share, at October 23, 2015 was 159,695,840.

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS.

FORTUNE BRANDS HOME & SECURITY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Nine and Three Months Ended September 30, 2015 and 2014
(In millions, except per share amounts)
(Unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2015	2014	2015	2014
Net sales	$3,354.7	$2,974.0	$1,238.8	$1,057.7
Cost of products sold	2,192.9	1,948.9	804.3	689.7
Selling, general and administrative expenses	778.1	690.2	265.7	234.9
Amortization of intangible assets	15.3	9.5	6.7	3.4
Restructuring charges	12.6	1.1	1.8	0.2
Operating income	355.8	324.3	160.3	129.5
Interest expense	20.5	7.2	11.1	3.2
Other expense (income), net	3.7	—	0.5	(0.5)
Income from continuing operations before income taxes	331.6	317.1	148.7	126.8
Income taxes	112.7	100.0	48.7	42.3
Income from continuing operations, net of tax	218.9	217.1	100.0	84.5
Income (loss) from discontinued operations, net of tax	8.6	(103.2)	7.8	(105.4)
Net income (loss)	227.5	113.9	107.8	(20.9)
Less: Noncontrolling interests	0.3	0.9	0.3	0.2
Net income (loss) attributable to Fortune Brands	$ 227.2	$ 113.0	$ 107.5	$ (21.1)
Basic earnings per common share				
Continuing operations	$ 1.37	$ 1.33	$ 0.62	$ 0.53
Discontinued operations	0.06	(0.64)	0.05	(0.66)
Net income (loss) attributable to Fortune Brands common shareholders	$ 1.43	$ 0.69	$ 0.67	$ (0.13)
Diluted earnings per common share				
Continuing operations	$ 1.34	$ 1.29	$ 0.61	$ 0.52
Discontinued operations	0.05	(0.62)	0.05	(0.65)
Net income (loss) attributable to Fortune Brands common shareholders	$ 1.39	$ 0.67	$ 0.66	$ (0.13)
Comprehensive income (loss)	$ 195.1	$ 95.7	$ 93.2	$ (31.2)

See notes to condensed consolidated financial statements.

FORTUNE BRANDS HOME & SECURITY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)
(Unaudited)

	September 30, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	$ 350.6	$ 191.9
Accounts receivable, net	557.0	458.9
Inventories	540.4	462.2
Other current assets	175.4	122.8
Current assets of discontinued operations	—	63.3
Total current assets	1,623.4	1,299.1
Property, plant and equipment, net of accumulated depreciation	606.3	539.8
Goodwill	1,800.8	1,467.8
Other intangible assets, net of accumulated amortization	982.2	656.5
Other assets	69.5	72.4
Non-current assets of discontinued operations	—	17.3
Total assets	$ 5,082.2	$ 4,052.9
Liabilities and equity		
Current liabilities		
Current portion of long-term debt	$ 3.8	$ 26.3
Accounts payable	353.6	333.8
Other current liabilities	420.3	322.0
Current liabilities of discontinued operations	—	17.5
Total current liabilities	777.7	699.6
Long-term debt	1,337.6	643.7
Deferred income taxes	266.0	150.6
Other non-current liabilities	296.6	292.5
Non-current liabilities of discontinued operations	—	3.4
Total liabilities	2,677.9	1,789.8
Commitments and contingencies (see Note 17)		
Equity		
Fortune Brands stockholders' equity		
Common stock[(a)]	1.7	1.7
Paid-in capital	2,581.7	2,517.3
Accumulated other comprehensive loss	(39.1)	(6.7)
Retained earnings	439.4	279.5
Treasury stock	(582.1)	(532.3)
Total Fortune Brands stockholders' equity	2,401.6	2,259.5
Noncontrolling interests	2.7	3.6
Total equity	2,404.3	2,263.1
Total liabilities and equity	$ 5,082.2	$ 4,052.9

(a) *Common stock, par value $0.01 per share; 174.5 million shares and 172.0 million shares issued at September 30, 2015 and December 31, 2014, respectively.*

See notes to condensed consolidated financial statements.

FORTUNE BRANDS HOME & SECURITY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2015 and 2014
(In millions)
(Unaudited)

	2015	2014
Operating activities		
Net income	$ 227.5	$ 113.9
Non-cash pre-tax expense (income):		
Depreciation	66.5	60.9
Amortization	15.3	12.3
Stock-based compensation	20.6	23.9
Recognition of actuarial losses	8.9	1.7
Deferred income taxes	(22.7)	5.6
Restructuring charges	0.9	0.4
Amortization of deferred financing costs	0.4	—
Pre-tax loss on sale of discontinued operations	16.9	83.2
(Income) loss on sale of property, plant and equipment	(0.7)	0.5
Changes in assets and liabilities:		
Increase in accounts receivable	(57.7)	(77.6)
Increase in inventories	(52.7)	(34.5)
Increase (decrease) in accounts payable	5.6	(3.6)
Increase in other assets	(11.2)	(15.1)
Increase (decrease) in accrued expenses and other liabilities	21.9	(104.5)
Increase in accrued taxes	24.6	43.1
Net cash provided by operating activities	264.1	110.2
Investing activities		
Capital expenditures	(86.9)	(82.3)
Proceeds from the disposition of assets	2.5	0.2
Proceeds from sale of discontinued operations	12.2	130.0
Cost of acquisitions, net of cash acquired	(652.8)	(118.5)
Other investing activities	—	(7.0)
Net cash used in investing activities	(725.0)	(77.6)
Financing activities		
Decrease in short-term debt, net	—	(2.7)
Issuance of long-term debt	1,748.9	835.0
Repayment of long-term debt	(1,080.0)	(505.0)
Proceeds from the exercise of stock options	22.6	23.1
Treasury stock purchases[(a)]	(15.7)	(411.4)
Excess tax benefit from the exercise of stock-based compensation	23.0	24.4
Dividends to stockholders[(b)]	(67.1)	(58.5)
Other financing, net	(1.2)	(2.2)
Net cash provided by (used in) financing activities	630.5	(97.3)
Effect of foreign exchange rate changes on cash	(10.9)	(1.6)
Net increase (decrease) in cash and cash equivalents	$ 158.7	$ (66.3)
Cash and cash equivalents at beginning of period	$ 191.9	$ 241.4
Cash and cash equivalents at end of period	$ 350.6	$ 175.1

(a) *Treasury stock purchases exclude purchases of $20.3 million of shares of common stock in September 2015 that were not settled until October 2015.*
(b) *Excludes dividends declared but not paid of $22.3 million and $19.0 million as of September 30, 2015 and 2014, respectively.*

See notes to condensed consolidated financial statements.

FORTUNE BRANDS HOME & SECURITY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Nine Months Ended September 30, 2015 and 2014
(In millions)
(Unaudited)

	Common Stock	Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Non-controlling Interests	Total Equity
Balance at December 31, 2013	$ 1.7	$2,431.3	$ 95.4	$200.8	$ (79.8)	$ 3.7	$2,653.1
Comprehensive income:							
Net income	—	—	—	113.0	—	0.9	113.9
Other comprehensive income	—	—	(18.1)	—	—	(0.1)	(18.2)
Stock options exercised	—	23.1	—	—	—	—	23.1
Stock-based compensation	—	23.8	—	—	(8.8)	—	15.0
Tax benefit on exercise of stock options	—	24.7	—	—	—	—	24.7
Tax-related adjustments	—	(1.2)	—	—	—	—	(1.2)
Treasury stock purchase	—	—	—	—	(411.4)	—	(411.4)
Dividends ($0.36 per common share)	—	—	—	(57.3)	—	—	(57.3)
Dividends paid to noncontrolling interests	—	—	—	—	—	(1.1)	(1.1)
Balance at September 30, 2014	$ 1.7	$2,501.7	$ 77.3	$256.5	$(500.0)	$ 3.4	$2,340.6
Balance at December 31, 2014	$ 1.7	$2,517.3	$ (6.7)	$279.5	$(532.3)	$ 3.6	$2,263.1
Comprehensive income:							
Net income	—	—	—	227.2	—	0.3	227.5
Other comprehensive income	—	—	(32.4)	—	—	—	(32.4)
Stock options exercised	—	22.7	—	—	—	—	22.7
Stock-based compensation	—	20.5	—	—	(13.8)	—	6.7
Tax benefit on exercise of stock options	—	21.2	—	—	—	—	21.2
Treasury stock purchase	—	—	—	—	(36.0)	—	(36.0)
Dividends ($0.28 per common share)	—	—	—	(67.3)	—	—	(67.3)
Dividends paid to noncontrolling interests	—	—	—	—	—	(1.2)	(1.2)
Balance at September 30, 2015	$ 1.7	$2,581.7	$ (39.1)	$439.4	$(582.1)	$ 2.7	$2,404.3

See notes to condensed consolidated financial statements.

1. Basis of Presentation and Principles of Consolidation

References to “Fortune Brands,” “the Company,” “we,” “our” and “us” refer to Fortune Brands Home & Security, Inc. and its consolidated subsidiaries as a whole, unless the context otherwise requires.

The Company is a leading home and security products company with a portfolio of leading branded products used for residential home repair, remodeling, new construction and security applications.

The condensed consolidated balance sheet as of September 30, 2015, the related condensed consolidated statements of comprehensive income for the nine and three-month periods ended September 30, 2015 and 2014 and the related condensed consolidated statements of cash flows and equity for the nine-month periods ended September 30, 2015 and 2014 are unaudited. In the opinion of management, all adjustments (consisting of normal recurring accruals) necessary for a fair statement of the financial statements have been included. Interim results may not be indicative of results for a full year.

The condensed consolidated financial statements and notes are presented pursuant to the rules and regulations of the Securities and Exchange Commission and do not contain certain information included in our annual consolidated financial statements and notes. The December 31, 2014 condensed consolidated balance sheet was derived from the audited financial statements, but does not include all disclosures required by U.S. generally accepted accounting principles (“GAAP”). This Quarterly Report on Form 10-Q should be read in conjunction with the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2014.

The condensed consolidated financial statements included in this Quarterly Report on Form 10-Q were derived principally from the consolidated financial statements of the Company. In May 2015, we acquired Norcraft Companies, Inc. (“Norcraft”). The financial results of Norcraft were included in the Company’s condensed consolidated statements of comprehensive income and statements of cash flow beginning in May 2015 and the condensed consolidated balance sheet as of September 30, 2015. On September 10, 2015, we completed the sale of Waterloo Industries, Inc. (“Waterloo”), our tool storage business. Therefore, in accordance with Accounting Standards Codification (“ASC”) requirements, the results of operations of Waterloo through September 9, 2015, were classified and separately stated as discontinued operations in the accompanying condensed consolidated statements of comprehensive income for the nine and three months ended September 30, 2015 and 2014. The assets and liabilities of Waterloo were classified as discontinued operations in the accompanying condensed consolidated balance sheets as of December 31, 2014. In September 2014, we sold all of the shares of stock of Fortune Brands Windows, Inc., our subsidiary that owned and operated the Simonton windows business (“Simonton”). The results of operations of Simonton were classified and separately stated as discontinued operations in the accompanying condensed consolidated statements of comprehensive income for the nine and three months ended September 30, 2014. The cash flows from discontinued operations for the nine months ending September 30, 2015 and 2014 were not separately classified on the accompanying condensed consolidated statements of cash flows. Information on Business Segments was revised to exclude these discontinued operations.

2. Recently Issued Accounting Standards

Simplifying Accounting for Measurement-Period Adjustments

In September 2015, the Financial Accounting Standards Board ("FASB") issued a final standard that eliminates the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determine the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The new standard is effective for the annual period beginning January 1, 2016 (calendar year 2016 for Fortune Brands). Early application is permitted, however we elected not to early adopt. We do not expect this standard to have a material effect on our financial statements.

Simplifying Subsequent Measurement of Inventory

In July 2015, the FASB issued a final standard that simplifies the subsequent measurement of inventory by replacing lower of cost or market test under the current GAAP. Under the current guidance the subsequent measurement of inventory is measured at the lower of cost or market, where "market" may have multiple possible outcomes. The new guidance requires subsequent measurement of inventory at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs to sell (completion, disposal, and transportation). This new standard is effective for the annual period beginning January 1, 2017 (calendar year 2017 for Fortune Brands). Earlier application is permitted, however we elected not to early adopt. We do not expect this standard to have a material effect on our financial statements.

Simplifying the Presentation of Debt Issuance Costs

In April 2015, the FASB issued Accounting Standards Update ("ASU") 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This ASU requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, instead of as a deferred charge (i.e., as an asset). This new standard is effective for the annual period beginning after December 15, 2015 (calendar year 2016 for Fortune Brands), and for annual periods and interim periods thereafter. Early adoption is permitted, however we elected not to early adopt. The guidance will be applied on a retrospective basis. The adoption of this ASU will require us to reclassify approximately $3 million of debt issuance costs from a deferred asset to long-term debt as of September 30, 2015.

2. Recently Issued Accounting Standards (Continued)

Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern

In August 2014, the FASB issued ASU 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." This ASU provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. This amendment is effective for the annual period ending after December 15, 2016 (year-end 2016 for Fortune Brands), and for annual periods and interim periods thereafter. Early application is permitted. We do not expect this standard to have a material effect on our financial statements.

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers." This ASU clarifies the accounting for revenue arising from contracts with customers and specifies the disclosures that an entity should include in its financial statements. Further, in August 2015, the FASB issued a standard, which clarified that the amendment is effective for the annual reporting period beginning after December 15, 2017 (calendar year 2018 for Fortune Brands), and for annual and interim periods thereafter. We are assessing the impact the adoption of this standard will have on our financial statements.

3. Balance Sheet Information

Supplemental information on our balance sheets is as follows:

(In millions)	September 30, 2015	December 31, 2014
Inventories:		
Raw materials and supplies	$ 216.3	$ 178.1
Work in process	59.2	54.0
Finished products	264.9	230.1
Total inventories	$ 540.4	$ 462.2
Property, plant and equipment, gross	$ 1,515.3	$ 1,396.3
Less: accumulated depreciation	909.0	856.5
Property, plant and equipment, net	$ 606.3	$ 539.8

4. Acquisitions

In May 2015, we completed our tender offer to purchase all of the outstanding shares of common stock of Norcraft, a leading publicly-owned manufacturer of kitchen and bathroom cabinetry, for a total purchase price of $648.6 million in cash. We financed the transaction using cash on hand and borrowings under our existing credit facilities. This transaction is expected to continue to strengthen our overall product offering, round out our regional market penetration and enhance our frameless cabinetry capabilities. Net sales in the nine and three months ended September 30, 2015 were approximately $151 million and $105 million, respectively. Operating income in the nine and three months ended September 30, 2015 was approximately $15 million and $12 million, respectively. The results of operations of Norcraft are included in the Cabinets segment. We incurred $15.1 million and $0.2 million of Norcraft acquisition-related transaction costs in the nine and three months ended September 30, 2015, respectively. The goodwill expected to be deductible for income tax purposes is in the process of being determined.

The following table summarizes the preliminary allocation of the purchase price to the fair value of assets acquired and liabilities assumed as of the date of the acquisition.

(In millions)	
Accounts receivable	$ 31.0
Inventories	28.4
Property, plant and equipment	45.8
Goodwill	348.8
Identifiable intangible assets	335.0
Other assets	18.7
Total assets	807.7
Deferred tax liabilities	130.2
Other liabilities and accruals	28.9
Net assets acquired	$648.6

The preceding purchase price allocation has been determined provisionally and is subject to revision as additional information about the fair value of individual assets and liabilities becomes available. The Company is in the process of finalizing valuations of certain tangible and intangible assets, including tradenames and customer relationships. Any change in the acquisition date fair value of the acquired assets and liabilities will change the amount of the purchase price allocable to goodwill.

Goodwill includes expected sales and cost synergies. Identifiable intangible assets consist of an indefinite-lived tradename of $125 million and customer relationships of $210 million. The useful life of the customer relationships identifiable intangible asset is estimated to be 20 years.

4. Acquisitions (Continued)

The following unaudited pro forma summary presents consolidated financial information as if Norcraft had been acquired on January 1, 2014. The unaudited pro forma financial information is based on historical results of operations and financial position of the Company and Norcraft. The pro forma results include:

- estimated amortization of a definite-lived customer relationship intangible asset,
- the estimated cost of the inventory adjustment to fair value,
- interest expense associated with debt that would have been incurred in connection with the acquisition,
- the reclassification of Norcraft transaction costs from 2015 to the first quarter of 2014, and
- adjustments to conform accounting policies.

The unaudited pro forma financial information does not necessarily represent the results that would have occurred had the acquisition occurred on January 1, 2014. In addition, the unaudited pro forma information should not be deemed to be indicative of future results.

(In millions, except per share amounts)	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014
Net sales	$3,497.0	$3,254.6	$1,238.7	$1,157.8
Income from continuing operations	235.0	215.5	100.1	89.3
Basic earnings per common share	$ 1.47	$ 1.32	$ 0.62	$ 0.56
Diluted earnings per common share	$ 1.44	$ 1.28	$ 0.61	$ 0.55

In March 2015, we acquired a cabinets component company for approximately $6 million in cash. A preliminary allocation of the purchase price has been reflected in the financial statements and will be updated as asset and liability valuations are finalized. Final adjustments will reflect the fair value assigned to the assets, including intangible assets, and assumed liabilities.

4. Acquisitions (Continued)

In December 2014, we acquired all of the issued and outstanding shares of capital stock of Anafree Holdings, Inc., the sole owner of Anaheim Manufacturing Company ("Anaheim"), which markets and sells garbage disposals, for $28.9 million in cash. We paid the purchase price using a combination of cash on hand and borrowings under our existing credit facilities. Net sales in the nine and three months ended September 30, 2015 were approximately $23 million and $8 million, respectively, and operating income was not material to the Company. The results of operations of Anaheim are included in the Plumbing segment.

In July 2014, we acquired all of the voting equity of John D. Brush & Co., Inc. ("SentrySafe") for a purchase price of $116.7 million in cash. The purchase price was funded from our existing credit facilities. This acquisition broadened our product offering of security products. Net sales in the nine and three months ended September 30, 2015 were approximately $101 million and $33 million, respectively, and operating income was not material to the Company. The results of operations of SentrySafe are included in the Security segment.

The 2014 completed acquisitions were not material for the purposes of supplemental disclosure and did not have a material impact on our consolidated financial statements.

5. Discontinued Operations

In September 2015, we completed the sale of Waterloo for approximately $14 million in cash, subject to certain post-closing adjustments. We recorded a pre-tax loss of $16.9 million as the result of this sale. Transaction and other sale-related costs were approximately $2.7 million. The estimated tax benefit on the sale was $26.5 million with the after-tax gain of $6.9 million recorded within discontinued operations. The estimated tax benefit resulted primarily from a tax loss in excess of the financial reporting loss as a result of prior period nondeductible asset impairments. Waterloo is presented as a discontinued operation in our financial statements beginning December 2014 and through September 9, 2015 in accordance with ASC 205 requirements. Prior to classifying Waterloo as a discontinued operation, it was reported in the Security segment.

In addition, in September 2014, we sold the Simonton windows business for $130 million in cash. Simonton is presented as a discontinued operation in the Company's financial statements in accordance with ASC requirements. The 2014 year-to-date and third quarter loss in discontinued operations included a loss on sale of the business of $111.8 million.

The following table summarizes the results of discontinued operations for the nine and three months ended September 30, 2015 and 2014. The nine and three months ended September 30, 2015 consist of Waterloo only, however comparable periods in 2014 include both Waterloo and Simonton.

5. Discontinued Operations (Continued)

(in millions)	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014
Net sales	$ 78.2	$ 317.6	$ 27.8	$ 125.5
Loss from discontinued operations before income taxes	$(15.6)	$ (72.4)	$(17.2)	$ (76.5)
Income taxes	(24.2)	30.8	(25.0)	28.9
Income (loss) from discontinued operations, net of tax	$ 8.6	$(103.2)	$ 7.8	$(105.4)

The following table summarizes the major classes of assets and liabilities of Waterloo, which is reflected as a discontinued operation on the consolidated balance sheet as of December 31, 2014:

(in millions)	December 31, 2014
Accounts receivable, net	$ 40.1
Inventories	15.9
Other current assets	7.3
Total current assets	63.3
Property, plant and equipment, net	13.3
Other non-current assets	4.0
Total assets	$ 80.6
Accounts payable	$ 8.5
Other current liabilities	9.0
Total current liabilities	17.5
Other non-current liabilities	3.4
Total liabilities	$ 20.9

6. Goodwill and Identifiable Intangible Assets

We had goodwill of $1,800.8 million and $1,467.8 million as of September 30, 2015 and December 31, 2014, respectively. The $333.0 million increase was primarily due to the acquisition of Norcraft, partially offset by other acquisition-related adjustments. The change in the net carrying amount of goodwill by segment was as follows:

(In millions)	Cabinets	Plumbing	Doors	Security	Total Goodwill
Goodwill at December 31, 2014 [a]	$630.1	$ 595.6	$143.0	$ 99.1	$1,467.8
Year-to-date translation adjustments	(3.2)	—	—	(1.9)	(5.1)
Acquisition-related adjustments	355.5	(17.0)	—	(0.4)	338.1
Goodwill at September 30, 2015 [a]	$982.4	$ 578.6	$143.0	$ 96.8	$1,800.8

(a) *Net of accumulated impairment losses of $399.5 million in the Doors segment.*

We also had identifiable intangible assets, principally tradenames, of $982.2 million and $656.5 million, net of accumulated amortization, as of September 30, 2015 and December 31, 2014, respectively. The $337.5 million increase in gross identifiable intangible assets was primarily due to the acquisitions of Norcraft and Anaheim.

The gross carrying value and accumulated amortization by class of identifiable intangible assets as of September 30, 2015 and December 31, 2014 were as follows:

(In millions)	As of September 30, 2015			As of December 31, 2014		
	Gross Carrying Amounts	Accumulated Amortization	Net Book Value	Gross Carrying Amounts	Accumulated Amortization	Net Book Value
Indefinite-lived tradenames	$ 659.3	$ (42.0)[a]	$617.3	$ 542.7	$ (42.0)[a]	$500.7
Amortizable intangible assets						
Tradenames	16.4	(6.7)	9.7	14.6	(6.4)	8.2
Customer and contractual relationships	513.0	(173.5)	339.5	294.2	(164.0)	130.2
Patents/proprietary technology	58.0	(42.3)	15.7	57.7	(40.3)	17.4
Total	587.4	(222.5)	364.9	366.5	(210.7)	155.8
Total identifiable intangibles	$1,246.7	$ (264.5)	$982.2	$ 909.2	$ (252.7)	$656.5

(a) *Accumulated amortization prior to the adoption of revised ASC requirements for Intangibles – Goodwill and Other Assets.*

6. Goodwill and Identifiable Intangible Assets (Continued)

Amortizable identifiable intangible assets, principally tradenames and customer relationships, are subject to amortization over their estimated useful life, ranging from 5 to 30 years, based on the assessment of a number of factors that may impact useful life. These factors include historical tradename performance with respect to consumer name recognition, geographic market presence, market share, plans for ongoing tradename support and promotion, customer attrition rates, and other relevant factors.

In the first nine months of 2015, no events or circumstances occurred that would have required us to perform interim impairment tests of goodwill or indefinite-lived intangible assets.

7. External Debt and Financing Arrangements

In June 2015, we issued $900 million of unsecured senior notes (“Senior Notes”) in a registered public offering. The Senior Notes consist of two tranches: $400 million of five-year notes due 2020 with a coupon of 3% and $500 million of ten-year notes due 2025 with a coupon of 4%. We used the proceeds from the Senior Notes offering to pay down our revolving credit facility and for general purposes. On September 30, 2015, the outstanding amount of the Senior Notes, net of underwriting commissions and price discounts, was $891.4 million.

We have a $975 million committed revolving credit facility, as well as a term loan in the initial amount of $525 million, both of which expire in July 2018. Both facilities can be used for general corporate purposes. On September 30, 2015 and December 31, 2014, our outstanding borrowings under the revolving credit facility were zero and $145.0 million, respectively; the amounts outstanding under the term loan were $450.0 million and $525.0 million, respectively. At September 30, 2015 and December 31, 2014, the current portion of long-term debt was $3.8 million and $26.3 million, respectively. The interest rates under all of these facilities are variable based on LIBOR at the time of the borrowing and the Company’s leverage as measured by a debt to Adjusted EBITDA ratio. Based upon the Company’s debt to Adjusted EBITDA ratio at September 30, 2015, the Company’s borrowing rate could range from LIBOR + 1.0% to LIBOR + 2.0%. At September 30, 2015, we were in compliance with all covenants under these facilities.

We currently have uncommitted bank lines of credit in China, which provide for unsecured borrowings for working capital of up to $25.7 million in aggregate, of which zero was outstanding, as of September 30, 2015 and December 31, 2014. The weighted-average interest rates on these borrowings were zero and 8.2% in the nine-month periods ended September 30, 2015 and 2014, respectively. The weighted-average interest rates on these borrowings were zero and 12.2% in the three-month periods ended September 30, 2015 and 2014, respectively.

8. Financial Instruments

We do not enter into financial instruments for trading or speculative purposes. We principally use financial instruments to reduce the impact of changes in foreign currency exchange rates and commodities used as raw materials in our products. The principal derivative financial instruments we enter into on a routine basis are foreign exchange contracts. Derivative financial instruments are recorded at fair value. The counterparties to derivative contracts are major financial institutions. Management currently believes that the risk of incurring material losses is unlikely and that the losses, if any, would be immaterial to the Company. In addition, from time to time, we enter into commodity swaps.

Our primary foreign currency hedge contracts pertain to the Canadian dollar, the Mexican peso and the Chinese yuan. The gross U.S. dollar equivalent notional amount of all foreign currency derivative hedges outstanding at September 30, 2015 was $204.9 million, representing a net settlement receivable of $2.9 million. Based on foreign exchange rates as of September 30, 2015, we estimate that $1.2 million of net foreign currency derivative gains included in other comprehensive income as of September 30, 2015 will be reclassified to earnings within the next twelve months.

The fair values of derivative instruments on the consolidated balance sheets as of September 30, 2015 and December 31, 2014 were:

(In millions)		Fair Value	
	Location	September 30, 2015	December 31, 2014
Assets			
Foreign exchange contracts	Other current assets	$ 5.9	$ 5.1
Net investment hedges	Other current assets	0.2	0.5
	Total assets	$ 6.1	$ 5.6
Liabilities			
Foreign exchange contracts	Other current liabilities	$ 3.3	$ 5.4

8. Financial Instruments (Continued)

The effects of derivative financial instruments on the statements of comprehensive income for the nine and three months ended September 30, 2015 and 2014 were:

(In millions) Type of hedge	Location	Gain Recognized in Income Nine Months Ended September 30, 2015	2014
Cash flow	Cost of products sold	$ 3.0	$ 0.4
Fair value	Other expense, net	5.9	1.6
Total		$ 8.9	$ 2.0

(In millions) Type of hedge	Location	Gain (Loss) Recognized in Income Three Months Ended September 30, 2015	2014
Cash flow	Cost of products sold	$ 1.0	$ (0.2)
Fair value	Other expense, net	3.2	0.8
Total		$ 4.2	$ 0.6

The effective portion of cash flow hedges recognized in other comprehensive income were net gains of $4.4 million and zero in the nine months ended September 30, 2015 and 2014, respectively. The effective portion of cash flow hedges recognized in other comprehensive income were net gains of $2.4 million and $2.9 million in the three months ended September 30, 2015 and 2014, respectively. In the nine and three months ended September 30, 2015 and 2014, the ineffective portion of cash flow hedges recognized in other expense, net, was insignificant.

9. Fair Value Measurements

ASC requirements for Fair Value Measurements and Disclosures establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs, the highest priority, are quoted prices in active markets for identical assets or liabilities. Level 2 inputs reflect inputs other than quoted prices included in level 1 that are either observable directly or through corroboration with observable market data. Level 3 inputs are unobservable inputs, due to little or no market activity for the asset or liability, such as internally-developed valuation models. We do not have any assets or liabilities measured at fair value on a recurring basis that are level 3.

The carrying value and fair value of debt as of September 30, 2015 and December 31, 2014 were as follows:

(In millions)	September 30, 2015		December 30, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Revolving credit facility	$ —	$ —	$145.0	$145.0
Term loan, including current portion	450.0	450.0	525.0	525.0
Senior Notes, net of underwriting commissions and price discounts	891.4	904.4	—	—

9. Fair Value Measurements (Continued)

The estimated fair value of our term loan and the current portion thereof is determined primarily using broker quotes, which are level 2 inputs. The estimated fair value of our Senior Notes is determined by using quoted market prices of our debt securities, which are level 1 inputs.

Assets and liabilities measured at fair value on a recurring basis as of September 30, 2015 and December 31, 2014 were as follows:

(In millions)	Fair Value	
	September 30, 2015	December 31, 2014
Assets		
Derivative financial instruments (level 2)	$ 6.1	$ 5.6
Deferred compensation program assets (level 1)	3.0	3.3
Total assets	$ 9.1	$ 8.9
Liabilities		
Derivative financial instruments (level 2)	$ 3.3	$ 5.4

10. Accumulated Other Comprehensive Loss

Total accumulated other comprehensive loss consists of net income and other changes in business equity from transactions and other events from sources other than shareholders. It includes currency translation gains and losses, unrealized gains and losses from derivative instruments designated as cash flow hedges, and defined benefit plan adjustments. The components of and changes in accumulated other comprehensive loss, net of tax, were as follows:

(In millions)	Foreign Currency Adjustments	Derivative Hedging Losses	Defined Benefit Plan Adjustments(a)	Accumulated Other Comprehensive Loss
Balance at December 31, 2014	$ 31.0	$ (0.6)	$ (37.1)	$ (6.7)
Amounts classified into accumulated other comprehensive loss	(29.0)	2.6	(3.8)	(30.2)
Amounts reclassified from accumulated other comprehensive loss	—	(1.5)	(0.7)	(2.2)
Net current-period other comprehensive loss	(29.0)	1.1	(4.5)	(32.4)
Balance at September 30, 2015	$ 2.0	$ 0.5	$ (41.6)	$ (39.1)

(a) See Note 11, "Defined Benefit Plans," for further information on the adjustments related to defined benefit plans.

10. Accumulated Other Comprehensive Loss (Continued)

The reclassifications out of accumulated other comprehensive loss for the nine and three months ended September 30, 2015 and 2014 were as follows:

(In millions)

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss Nine Months Ended September 30, 2015	2014	Affected Line Item in the Statement of Comprehensive Income
Cumulative translation adjustments	$ —	$ 1.4	
Gains on cash flow hedges			
Foreign exchange contracts	$ 3.3	$ 0.4	Cost of products sold
Commodity contracts	(0.3)	—	Cost of products sold
	3.0	0.4	Total before tax
	(1.5)	—	Tax expense
	$ 1.5	$ 0.4	Net of tax
Defined benefit plan items			
Recognition of prior service credits	$ 10.2	$ 24.1	(a)
Recognition of actuarial losses	(2.8)	(1.7)	(a)
Recognition of prior service costs in discontinued operations	(0.2)	—	(b)
Recognition of actuarial losses in discontinued operations	(6.1)	—	(b)
	1.1	22.4	Total before tax
	(0.4)	(8.4)	Tax expense
	$ 0.7	$ 14.0	Net of tax
Total reclassifications for the period	$ 2.2	$ 15.8	Net of tax

(a) *These accumulated other comprehensive loss components are included in the computation of net periodic benefit cost. Refer to Note 11, "Defined Benefit Plans," for additional information.*

(b) *These accumulated other comprehensive loss components are included in discontinued operations.*

10. Accumulated Other Comprehensive Loss (Continued)

(In millions)

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss Three Months Ended September 30, 2015	2014	Affected Line Item in the Statement of Comprehensive Income
Cumulative translation adjustments	$ —	$ 1.4	
Gains (losses) on cash flow hedges			
Foreign exchange contracts	$ 1.2	$ (0.2)	Cost of products sold
Commodity contracts	(0.2)	—	Cost of products sold
	1.0	(0.2)	Total before tax
	(0.5)	0.1	Tax expense
	$ 0.5	$ (0.1)	Net of tax
Defined benefit plan items			
Recognition of prior service credits	$ 3.2	$ 6.5	(a)
Recognition of actuarial losses	(2.8)	(1.1)	(a)
Recognition of prior service costs in discontinued operations	(0.2)	—	(b)
Recognition of actuarial losses in discontinued operations	(6.1)	—	(b)
	(5.9)	5.4	Total before tax
	2.3	(2.0)	Tax expense
	$ (3.6)	$ 3.4	Net of tax
Total reclassifications for the period	$ (3.1)	$ 4.7	Net of tax

(a) *These accumulated other comprehensive loss components are included in the computation of net periodic benefit cost. Refer to Note 11, "Defined Benefit Plans," for additional information.*

(b) *These accumulated other comprehensive loss components are included in discontinued operations.*

11. Defined Benefit Plans

The components of net periodic benefit cost for pension and postretirement benefits for the nine and three months ended September 30, 2015 and 2014 were as follows:

(In millions)	Nine Months Ended September 30,			
	Pension Benefits		Postretirement Benefits	
	2015	2014	2015	2014
Service cost	$ 8.7	$ 7.8	$ —	$ —
Interest cost	25.2	24.7	0.4	0.5
Expected return on plan assets	(30.3)	(31.7)	—	—
Recognition of prior service costs (credits)	0.1	0.1	(10.3)	(24.2)
Recognition of actuarial losses (gains)	2.9	1.1	(0.1)	0.6
Net periodic benefit cost (income)	$ 6.6	$ 2.0	$ (10.0)	$ (23.1)

(In millions)	Three Months Ended September 30,			
	Pension Benefits		Postretirement Benefits	
	2015	2014	2015	2014
Service cost	$ 2.3	$ 2.4	$ —	$ —
Interest cost	8.3	8.5	0.1	0.1
Expected return on plan assets	(9.9)	(10.6)	—	—
Recognition of prior service costs (credits)	0.1	—	(3.3)	(6.5)
Recognition of actuarial losses (gains)	2.9	1.1	(0.1)	—
Net periodic benefit cost (income)	$ 3.7	$ 1.4	$ (3.3)	$ (6.4)

In the third quarter of 2015, we recognized actuarial losses of $6.1 million related to the sale of the Waterloo tool storage business in discontinued operations in addition to the $2.8 million of actuarial losses reflected above.

In the first quarter of 2014, we communicated our decision to amend certain postretirement benefits to reduce health benefits for certain current and retired employees. The impact of these changes was a reduction in accrued retiree benefit plan liabilities of $15.3 million and we recorded actuarial losses of $0.6 million and prior service credits of $3.5 million in the first quarter of 2014. Liability reductions from these plan amendments are recorded as amortization of prior service cost in net income in accordance with accounting requirements. See Note 10, “Accumulated Other Comprehensive Loss,” for information on the impact on accumulated other comprehensive loss.

12. Income Taxes

The effective income tax rates for the nine months ended September 30, 2015 and 2014 were 34.0% and 31.5%, respectively. The effective income tax rate for 2015 was unfavorably impacted by the tax cost related to the final settlement of a federal income tax audit covering the 2010 and nine months ended September 30, 2011 tax years, non-deductible acquisition costs and incremental state taxes associated with the Norcraft acquisition, and restructuring charges for which the Company cannot recognize a tax benefit. The effective income tax rate for 2014 was favorably impacted by the release of valuation allowances related to state net operating loss carryforwards and tax benefits related to stock-based compensation.

The effective income tax rates for the three months ended September 30, 2015 and 2014 were 32.8% and 33.4%, respectively. The effective income tax rate for third quarter of 2015 was favorably impacted by adjustments to prior year income tax estimates upon the filing of the Company's 2014 federal income tax return.

It is reasonably possible that, within the next 12 months, total unrecognized tax benefits may decrease in the range of $3 million to $7 million, primarily as a result of the conclusion of pending U.S. federal, state and foreign income tax proceedings.

13. Product Warranties

We generally record warranty expense at the time of sale. We offer our customers various warranty terms based on the type of product that is sold. Warranty expense is determined based on historic claim experience and the nature of the product category. The following table summarizes activity related to our product warranty liability for the nine months ended September 30, 2015 and 2014, respectively.

(In millions)	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Reserve balance at January 1,	$ 13.0	$ 10.3
Provision for warranties issued	21.6	17.0
Settlements made (in cash or in kind)	(20.3)	(16.3)
Acquisitions	1.5	—
Reserve balance at September 30,	$ 15.8	$ 11.0

14. Information on Business Segments

Net sales and operating income for the nine and three months ended September 30, 2015 and 2014 by segment were as follows:

(In millions)	Nine Months Ended September 30, 2015	2014	% Change vs. Prior Year
Net Sales			
Cabinets	$1,565.3	$1,331.4	17.6%
Plumbing	1,056.0	995.9	6.0
Doors	324.6	304.5	6.6
Security	408.8	342.2	19.5
Net sales	$3,354.7	$2,974.0	12.8%
Operating Income			
Cabinets	$ 132.1	$ 102.5	28.9%
Plumbing	214.6	202.6	5.9
Doors	30.7	21.7	41.5
Security	43.1	43.4	(0.7)
Less: Corporate expenses	(64.7)	(45.9)	(41.0)
Operating income	$ 355.8	$ 324.3	9.7%
Corporate expenses			
General and administrative expense	$ (51.7)	$ (50.7)	
Defined benefit plan income	2.1	4.8	
Noncraft transaction costs[a]	(15.1)	—	
Total Corporate expenses	$ (64.7)	$ (45.9)	(41.0)%

(a) *Represents external costs directly related to the acquisition of Norcraft and primarily includes expenditures for banking, legal, accounting and other similar services.*

14. Information on Business Segments (Continued)

(In millions)	Three Months Ended September 30, 2015	2014	% Change vs. Prior Year
Net Sales			
Cabinets	$ 603.3	$ 452.6	33.3%
Plumbing	364.4	345.9	5.3
Doors	123.8	114.4	8.2
Security	147.3	144.8	1.7
Net sales	$1,238.8	$1,057.7	17.1%
Operating Income			
Cabinets	$ 64.2	$ 36.5	75.9%
Plumbing	80.9	75.8	6.7
Doors	16.7	12.1	38.0
Security	16.6	20.2	(17.8)
Less: Corporate expenses	(18.1)	(15.1)	(19.9)
Operating income	$ 160.3	$ 129.5	23.8%
Corporate expenses			
General and administrative expense	$ (16.7)	$ (15.9)	
Defined benefit plan income	(1.2)	0.8	
Norcraft transaction costs[(a)]	(0.2)	—	
Total Corporate expenses	$ (18.1)	$ (15.1)	(19.9)%

(a) *Represents external costs directly related to the acquisition of Norcraft and primarily includes expenditures for banking, legal, accounting and other similar services.*

15. Restructuring and Other Charges

Pre-tax restructuring and other charges for the nine and three months ended September 30, 2015 and 2014 are shown below.

(In millions)	Nine Months Ended September 30, 2015			
		Other Charges (a)		
	Restructuring Charges	Cost of Products Sold	SG&A(b)	Total Charges
Cabinets	$ 0.6	$ (0.1)	$ —	$ 0.5
Plumbing	6.3	0.1	0.4	6.8
Security	4.8	2.7	—	7.5
Corporate	0.9	—	—	0.9
Total	$ 12.6	$ 2.7	$ 0.4	$ 15.7

(In millions)	Nine Months Ended September 30, 2014			
		Other Charges (a)		
	Restructuring Charges	Cost of Products Sold	SG&A(b)	Total Charges
Cabinets	$ 0.4	$ —	$ —	$ 0.4
Plumbing	(1.2)	(0.2)	0.1	(1.3)
Security	0.4	—	—	0.4
Corporate	1.5	—	—	1.5
Total	$ 1.1	$ (0.2)	$ 0.1	$ 1.0

(a) *"Other Charges" represent charges directly related to restructuring initiatives that cannot be reported as restructuring under GAAP. Such costs may include losses on disposal of inventories, trade receivables allowances from exiting product lines, accelerated depreciation resulting from the closure of facilities and gains or losses on the sale of previously closed facilities.*

(b) *Selling, general and administrative.*

Restructuring and other charges in the first nine months of 2015 related to severance costs to relocate a plumbing facility in China and severance costs and accelerated depreciation to relocate a manufacturing facility within our Security segment, as well as severance costs in the Security segment and Corporate.

Restructuring and other charges in the first nine months of 2014 primarily results from severance charges in our Corporate and Security segment, partially offset by a benefit from release of a foreign currency gain associated with the dissolution of a foreign entity in the Plumbing segment.

15. Restructuring and Other Charges (Continued)

(In millions)	Three Months Ended September 30, 2015			
		Other Charges (a)		
	Restructuring Charges	Cost of Products Sold	SG&A(b)	Total Charges
Cabinets	$ (0.4)	$ (0.1)	$ —	$ (0.5)
Plumbing	0.6	—	—	0.6
Security	1.6	2.7	—	4.3
Total	$ 1.8	$ 2.6	$ —	$ 4.4

(In millions)	Three Months Ended September 30, 2014			
		Other Charges (a)		
	Restructuring Charges	Cost of Products Sold	SG&A(b)	Total Charges
Cabinets	$ 0.1	$ —	$ —	$ 0.1
Plumbing	(0.3)	0.4	0.1	0.2
Security	0.4	—	—	0.4
Total	$ 0.2	$ 0.4	$ 0.1	$ 0.7

(a) *"Other Charges" represent charges directly related to restructuring initiatives that cannot be reported as restructuring under GAAP. Such costs may include losses on disposal of inventories, trade receivables allowances from exiting product lines, accelerated depreciation resulting from the closure of facilities and gains or losses on the sale of previously closed facilities.*

(b) *Selling, general and administrative.*

Restructuring and other charges in the third quarter of 2015 primarily resulted from severance charges and accelerated depreciation to relocate a manufacturing facility within our Security segment. Restructuring and other charges in the third quarter of 2014 primarily resulted from severance charges.

Reconciliation of Restructuring Liability

(In millions)	Balance at 12/31/14	2015 Provision	Cash Expenditures (a)	Non-Cash Write-offs (b)	Balance at 9/30/15
Workforce reduction costs	$ 7.9	$ 11.4	$ (8.7)	$ 0.5	$ 11.1
Asset disposals	—	0.5	0.4	(0.9)	—
Contract termination costs	—	0.2	—	(0.2)	—
Other	—	0.5	(0.1)	—	0.4
	$ 7.9	$ 12.6	$ (8.4)	$ (0.6)	$ 11.5

(a) *Cash expenditures primarily related to severance charges.*

(b) *Non-cash write-offs include long-lived asset impairment charges attributable to restructuring actions.*

16. Earnings Per Share

The computations of earnings per common share were as follows:

(In millions, except per share data)	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014
Income from continuing operations, net of tax	$218.9	$ 217.1	$100.0	$ 84.5
Less: Noncontrolling interest	0.3	0.9	0.3	0.2
Income from continuing operations for EPS	218.6	216.2	99.7	84.3
Income (loss) from discontinued operations	8.6	(103.2)	7.8	(105.4)
Net income (loss) attributable to Fortune Brands	$227.2	$ 113.0	$107.5	$ (21.1)
Earnings per common share				
Basic				
Continuing operations	$ 1.37	$ 1.33	$ 0.62	$ 0.53
Discontinued operations	0.06	(0.64)	0.05	(0.66)
Net income (loss) attributable to Fortune Brands common stockholders	$ 1.43	$ 0.69	$ 0.67	$ (0.13)
Diluted				
Continuing operations	$ 1.34	$ 1.29	$ 0.61	$ 0.52
Discontinued operations	0.05	(0.62)	0.05	(0.65)
Net income (loss) attributable to Fortune Brands common stockholders	$ 1.39	$ 0.67	$ 0.66	$ (0.13)
Basic average shares outstanding	159.5	163.0	160.0	158.7
Stock-based awards	3.5	4.7	3.4	4.5
Diluted average shares outstanding	163.0	167.7	163.4	163.2
Antidilutive stock-based awards excluded from weighted-average number of shares outstanding for diluted earnings per share	0.8	0.5	0.7	0.6

17. Contingencies

Litigation

We are defendants in lawsuits associated with the normal conduct of our businesses and operations. It is not possible to predict the outcome of the pending actions, and, as with any litigation, it is possible that these actions could be decided unfavorably to the Company. The Company believes that there are meritorious defenses to these actions and that these actions will not have a material adverse effect upon our results of operations, cash flows or financial condition, and where appropriate, these actions are being vigorously contested.

Environmental

Compliance with federal, state and local laws regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, did not have a material effect on capital expenditures, earnings or the competitive position of Fortune Brands during the nine months ended September 30, 2015 and 2014. We are involved in remediation activities to clean up hazardous wastes as required by federal and state laws. Liabilities for remediation costs of each site are based on our best estimate of undiscounted future costs, excluding possible insurance recoveries or recoveries from other third parties. We believe compliance with current environmental protection laws (before taking into account estimated recoveries from third parties) will not have a material adverse effect upon our results of operations, cash flows or financial condition. Uncertainties about the status of laws, regulations, technology and information related to individual sites make it difficult to develop estimates of environmental remediation exposures.

Item 2. **FORTUNE BRANDS HOME & SECURITY, INC.**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto, which are included in this report, as well as our audited consolidated financial statements for the year ended December 31, 2014, which are included in our Annual Report on Form 10-K for the year ended December 31, 2014.

This discussion contains forward-looking statements that are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended (the "Exchange Act"), regarding business strategies, market potential, future financial performance, pension contributions, impact of acquisitions and other matters. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans" and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature. The forward-looking statements are not historical facts, but rather are based on expectations, estimates, assumptions and projections about our industry, business and future financial results, based on information available at the time this report is filed with the Securities and Exchange Commission, or with respect to any document incorporated by reference, available as of the time such document was prepared. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including but not limited to: (i) our reliance on the North American home improvement, repair and new home construction activity levels, (ii) the North American and global economies, (iii) risk associated with entering into potential strategic acquisitions and integrating acquired property, (iv) our ability to remain competitive, innovative and protect our intellectual property, (v) our reliance on key customers and suppliers, (vi) the cost and availability associated with our supply chains and the availability of raw materials, (vii) risk of increases in our postretirement benefit-related costs and funding requirements, (viii) compliance with tax, environmental and federal, state and international laws and industry regulatory standards and (ix) the risk of doing business internationally. These and other factors are discussed in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2014. We undertake no obligation to, and expressly disclaim any such obligation to, update or clarify any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events, new information or changes to future results over time or otherwise, except as required by law.

OVERVIEW

References to "Fortune Brands," "the Company," "we," "our" and "us" refer to Fortune Brands Home & Security, Inc. and its consolidated subsidiaries as a whole, unless the context otherwise requires. The Company is a leader in home and security products focused on the design, manufacture and sale of market-leading branded products in the following categories: kitchen and bath cabinetry, plumbing and accessories, entry door systems and security products.

We believe the Company has certain competitive advantages including market-leading brands, a diversified mix of channels, and lean and flexible supply chains, as well as a tradition of strong innovation and customer service. We are focused on outperforming our markets in growth, profitability and returns in order to drive increased shareholder value. We believe the Company's track record reflects the long-term attractiveness and potential of our categories and our leading brands. As consumer demand and the housing market grow, we expect the benefits of operating leverage and strategic spending will help us continue to achieve profitable organic growth.

We believe our most attractive opportunities are to invest in profitable organic growth initiatives. We also believe that as the market recovers, we have the potential to generate additional growth from leveraging our cash flow and balance sheet strength by pursuing accretive strategic acquisitions and joint ventures, and returning cash to shareholders through a combination of dividends and common stock repurchases under our share repurchase programs as explained in further detail under "Liquidity and Capital Resources" below.

The U.S. market for our home products consists of spending on both new home construction and repair and remodel activities within existing homes, with the substantial majority of the markets we serve consisting of repair and remodel spending. We believe that the U.S. market for our home products is in the midst of a multi-year recovery. A continued recovery will largely depend on consumer confidence, employment, home prices, stable mortgage rates and credit availability. Over the long term, we believe that the U.S. home products market will benefit from favorable population and immigration trends, which will drive demand for new housing units, and from aging existing housing stock that will continue to need to be repaired and remodeled.

We may be impacted by fluctuations in raw material and transportation costs, changes in foreign exchange, and promotional activity among our competitors. We strive to offset the potential unfavorable impact of these items with productivity initiatives and price increases.

In September 2015, we completed the sale of Waterloo Industries, Inc. ("Waterloo") for approximately $14 million in cash, subject to certain post-closing adjustments. We recorded a pre-tax loss of $16.9 million as the result of this sale. Transaction and other sale related costs were approximately $2.7 million. The related estimated tax benefit on the sale was $26.5 million with the after-tax gain of $6.9 million recorded within discontinued operations. The estimated tax benefit resulted primarily from a tax loss in excess of the financial reporting loss as a result of prior period nondeductible asset impairments. Prior to classifying Waterloo as a discontinued operation, it was reported in the Security segment.

In June 2015, we issued $900 million of unsecured senior notes ("Senior Notes") in a registered public offering. The Senior Notes consist of two tranches: $400 million of five-year notes due 2020 with a coupon of 3% and $500 million of ten-year notes due 2025 with a coupon of 4%. We used the proceeds from the Senior Notes offering to pay down our revolving credit facility and for general purposes.

In May 2015, we acquired Norcraft Companies, Inc. ("Norcraft"), a leading publicly-owned manufacturer of kitchen and bathroom cabinetry, for a total purchase price of $648.6 million. Pursuant to the agreement, we acquired all outstanding shares of Norcraft for $25.50 per share of common stock in cash. We financed the transaction using cash on hand and borrowings under our existing credit facilities. This acquisition is expected to strengthen our overall product offering, round out our regional market penetration and enhance our frameless cabinetry capabilities. The financial results of Norcraft were included in the Company's results of operations and cash flows beginning in May 2015.

OVERVIEW (Continued)

In March 2015, we acquired a cabinets component company for approximately $6 million in cash. The financial results were included in the Company's results of operations and cash flows beginning in March of 2015.

In December 2014, we acquired Anaheim Manufacturing Company ("Anaheim"), which markets and sells garbage disposals, for $28.9 million in cash. The financial results of Anaheim were included in the Company's results of operations and cash flows beginning in January of 2015. In July 2014, we acquired John D. Brush & Co., Inc. ("SentrySafe"), a leading manufacturer of home safes, for a purchase price of $116.7 million in cash. The financial results of SentrySafe were included in the Company's results of operations and cash flows beginning in August of 2014. The purchase prices were funded from cash on hand and our existing credit facilities.

In September 2014, we sold all the shares of stock of Fortune Brands Windows, Inc., our subsidiary that owned and operated the Simonton windows business ("Simonton") for $130 million in cash. The results of these operations were classified and separately stated as discontinued operations in the consolidated financial statements.

RESULTS OF OPERATIONS

Nine Months Ended September 30, 2015 Compared To Nine Months Ended September 30, 2014

	Net Sales		
(In millions)	2015	2014	% Change vs. Prior Year
Cabinets	$1,565.3	$1,331.4	17.6%
Plumbing	1,056.0	995.9	6.0
Doors	324.6	304.5	6.6
Security	408.8	342.2	19.5
Net sales	$3,354.7	$2,974.0	12.8%

	Operating Income		
	2015	2014	% Change vs. Prior Year
Cabinets	$ 132.1	$ 102.5	28.9%
Plumbing	214.6	202.6	5.9
Doors	30.7	21.7	41.5
Security	43.1	43.4	(0.7)
Less: Corporate expenses	(64.7)	(45.9)	(41.0)
Operating income	$ 355.8	$ 324.3	9.7%

The following discussion of consolidated results of operations and segment results refers to the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014. Consolidated results of operations should be read in conjunction with segment results of operations.

Net sales

Net sales increased $380.7 million, or 13%. The increase was due to the benefit of the acquisitions of SentrySafe, Norcraft and Anaheim (approximately $254 million in aggregate), higher sales volume primarily from the continuing improvement in U.S. market conditions for home products, price increases to help mitigate cumulative raw material cost increases and favorable mix. The impact of foreign exchange was unfavorable by approximately $47 million.

Cost of products sold

Cost of products sold increased $244.0 million, or 12%, due to the impact of the acquisitions of SentrySafe, Norcraft and Anaheim (approximately $167 million in aggregate), higher sales volume and investments to support increased manufacturing capacity and long-term growth initiatives, partially offset by the benefit of productivity improvements.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $87.9 million, or 13%, due to the impact of the acquisitions of SentrySafe, Norcraft and Anaheim (approximately $60 million in aggregate), $15.1 million of Norcraft transaction costs, higher employee-related costs, and planned increases in strategic spending to support increased capacity and long-term growth initiatives.

RESULTS OF OPERATIONS (Continued)

Amortization of intangible assets

Amortization of intangible assets increased $5.8 million due to the acquisitions of Norcraft, SentrySafe and Anaheim.

Restructuring charges

Restructuring charges of $12.6 million in the nine months ended September 30, 2015 primarily related to severance costs to relocate a plumbing facility in China, restructuring charges to relocate a manufacturing facility, and severance within our Security segment and the Corporate office. Restructuring charges in the nine months ended September 30, 2014 were $1.1 million.

Operating income

Operating income increased $31.5 million. Operating income benefited from price increases to help mitigate cumulative raw material cost increases, higher sales volume, productivity improvements and the impact of acquisitions, partially offset by investments to support manufacturing capacity increases for long-term growth, $15.1 million of Norcraft transaction costs and $14.7 million of higher restructuring and other charges.

Interest expense

Interest expense increased $13.3 million to $20.5 million due to higher average borrowings and higher average interest rates.

Other expense (income), net

Other expense (income), net, was expense of $3.7 million in the nine months ended September 30, 2015, compared to zero in the nine months ended September 30, 2014. The change was due to unfavorable foreign currency adjustments.

Income taxes

The effective income tax rates for the nine months ended September 30, 2015 and 2014 were 34.0% and 31.5%, respectively. The effective income tax rate for 2015 was unfavorably impacted by the tax cost related to the final settlement of a federal income tax audit covering the 2010 and nine months ended September 30, 2011 tax years, non-deductible acquisition costs and incremental state taxes associated with the Norcraft acquisition, and restructuring charges for which the Company cannot recognize a tax benefit. The effective income tax rate for 2014 was favorably impacted by the release of valuation allowances related to state net operating loss carryforwards and tax benefits related to stock-based compensation.

Noncontrolling interests

Noncontrolling interest was $0.3 million and $0.9 million in the nine months ended September 30, 2015 and 2014, respectively.

Net income from continuing operations

Net income from continuing operations was $218.9 million in the nine months ended September 30, 2015 compared to $217.1 million in the nine months ended September 30, 2014.

Income (loss) from discontinued operations

The income (loss) from discontinued operations was $8.6 million and $(103.2) million in the nine months ended September 30, 2015 and 2014, respectively. The discontinued operations for the nine months ended September 30, 2015 consist of the results of operations of Waterloo and the gain associated with the sale of the business. The discontinued operations for the nine months ended September 30, 2014 also include the results of operations of Simonton and the loss associated with the sale of Simonton in third quarter of 2014 of $111.8 million.

Results By Segment

Cabinets

Net sales increased $233.9 million, or 18%, due to the benefit of the Norcraft acquisition (approximately $151 million), higher sales volume including the impact of new product introductions, favorable mix and the benefit of price increases to help mitigate cumulative raw material cost increases. These benefits were partially offset by approximately $17 million of unfavorable foreign exchange.

Operating income increased $29.6 million, or 29%, due to price increases to help mitigate cumulative raw material cost increases, productivity improvements, higher sales volume and a $15.5 million benefit from the acquisition of Norcraft, net of a $2.0 million charge related to an inventory purchase accounting adjustment to fair value. These benefits were partially offset by investments to support manufacturing capacity increases for long-term growth, higher employee-related costs, higher wood related raw material costs and costs associated with new product introductions.

Plumbing

Net sales increased $60.1 million, or 6%, due to higher sales volume in the U.S. driven by improving U.S. market conditions, the acquisition of Anaheim (approximately $23 million), price increases to help mitigate cumulative raw material cost increases and approximately $10 million in higher sales in Canada. These benefits were partially offset by unfavorable foreign exchange of approximately $20 million and higher sales rebates.

Operating income increased $12.0 million, or 6%, on higher sales volume, price increases to help mitigate cumulative raw material cost increases. Operating income was unfavorably impacted by higher sales rebates, $8.1 million of higher restructuring and other charges primarily related to severance costs to relocate a facility in China and approximately $8 million of unfavorable foreign exchange.

Doors

Net sales increased $20.1 million, or 7%, due to higher sales volume driven primarily by improved conditions in the U.S. home products market, price increases to help mitigate cumulative raw material cost increases and favorable mix.

Operating income increased $9.0 million, or 41%, due to price increases to help mitigate cumulative raw material cost increases, higher sales volume and productivity improvements, as well as approximately $2 million of favorable foreign exchange. These factors were partially offset by an unfavorable comparison to the reversal of a bad debt reserve in 2014.

Results By Segment (Continued)

Security

Net sales increased $66.6 million, or 19%, due primarily to the impact of the acquisition of SentrySafe (approximately $80 million), partially offset by unfavorable foreign exchange (approximately $10 million) and lower international sales volume.

Operating income decreased $0.3 million, or 1%. Operating income was favorably impacted by the acquisition of SentrySafe and lower employee-related costs, offset by an increase of $7.1 million of restructuring and other charges primarily to relocate a manufacturing facility and unfavorable foreign exchange of approximately $3 million.

Corporate

Corporate expenses increased $18.8 million predominantly due to $15.1 million of transaction costs associated with the Norcraft acquisition.

(In millions)	Nine Months Ended September 30,	
	2015	2014
General and administrative expense	$(51.7)	$(50.7)
Defined benefit plan income	4.9	6.5
Defined benefit plan recognition of actuarial losses	(2.8)	(1.7)
Norcraft transaction costs[(a)]	(15.1)	—
Total Corporate expenses	$(64.7)	$(45.9)

(a) *Represents external costs directly related to the acquisition of Norcraft and primarily includes expenditures for banking, legal, accounting and other similar services.*

In future periods the Company may record, in the Corporate segment, material expense or income associated with actuarial gains and losses arising from periodic remeasurement of our liabilities for defined benefit plans. At a minimum the Company will remeasure its defined benefit plan liabilities in the fourth quarter of each year. Remeasurements due to plan amendments and settlements may also occur in interim periods during the year. Remeasurement of these liabilities attributable to updating our liability discount rates and expected return on assets may, in particular, result in material income or expense recognition.

RESULTS OF OPERATIONS (Continued)

Three Months Ended September 30, 2015 Compared To Three Months Ended September 30, 2014

(In millions)	Net Sales 2015	Net Sales 2014	% Change vs. Prior Year
Cabinets	$ 603.3	$ 452.6	33.3%
Plumbing	364.4	345.9	5.3
Doors	123.8	114.4	8.2
Security	147.3	144.8	1.7
Net sales	$1,238.8	$1,057.7	17.1%

	Operating Income 2015	Operating Income 2014	% Change vs. Prior Year
Cabinets	$ 64.2	$ 36.5	75.9%
Plumbing	80.9	75.8	6.7
Doors	16.7	12.1	38.0
Security	16.6	20.2	(17.8)
Less: Corporate expenses	(18.1)	(15.1)	(19.9)
Operating income	$ 160.3	$ 129.5	23.8%

The following discussion of consolidated results of operations and segment results refers to the three months ended September 30, 2015 compared to the three months ended September 30, 2014. Consolidated results of operations should be read in conjunction with segment results of operations.

Net sales

Net sales increased $181.1 million, or 17%. The increase was due to the benefit of the acquisitions of Norcraft, SentrySafe and Anaheim (approximately $125 million in aggregate), higher sales volume primarily from the continuing improvement in U.S. market conditions for home products, price increases to help mitigate cumulative raw material cost increases and favorable mix. The impact of foreign exchange was unfavorable by approximately $21 million.

Cost of products sold

Cost of products sold increased $114.6 million, or 17%, due to the impact of the acquisitions of Norcraft, SentrySafe and Anaheim (approximately $83 million in aggregate) and higher sales volume.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $30.8 million, or 13%, due to the impact of the acquisitions of Norcraft, SentrySafe and Anaheim (approximately $25 million in aggregate) and higher employee-related costs.

RESULTS OF OPERATIONS (Continued)

Amortization of intangible assets

Amortization of intangible assets increased $3.3 million due to the acquisitions of Norcraft and Anaheim.

Restructuring charges

Restructuring charges of $1.8 million in the three months ended September 30, 2015 primarily related to severance costs to relocate a manufacturing facility within our Security segment. Restructuring charges in the three months ended September 30, 2014 were $0.2 million.

Operating income

Operating income increased $30.8 million, or 24%. Operating income benefited from higher sales volume, price increases to help mitigate cumulative raw material cost increases, productivity improvements and the impact of the acquisitions of Norcraft, SentrySafe and Anaheim (approximately $13 million). These benefits were partially offset by higher employee related costs of $10.3 million, investments to support manufacturing capacity increases for long-term growth, higher sales rebates, unfavorable mix and $3.7 million of higher restructuring and other charges.

Interest expense

Interest expense increased $7.9 million to $11.1 million due to higher average borrowings as well as higher average interest rates resulting from our bond issuance in June 2015.

Other expense (income), net

Other expense (income), net, was $0.5 million expense in the three months ended September 30, 2015 compared to income of $(0.5) million in the three months ended September 30, 2014. The change was due to unfavorable foreign currency adjustments.

Income taxes

The effective income tax rates for the three months ended September 30, 2015 and 2014 were 32.8% and 33.4%, respectively. The effective income tax rate for third quarter of 2015 was favorably impacted by adjustments to prior year income tax estimates upon the filing of the Company’s 2014 federal income tax return.

Noncontrolling interests

Noncontrolling interests was $0.3 million and $0.2 million in the three months ended September 30, 2015 and 2014, respectively.

Net income from continuing operations

Net income from continuing operations was $100.0 million in the three months ended September 30, 2015 compared to $84.5 million in the three months ended September 30, 2014. The increase of $15.5 million was due to a higher operating income, partially offset by lower effective income tax rate and higher interest expense.

Income (loss) from discontinued operations

The income from discontinued operations was $7.8 million in the three months ended September 30, 2015 compared to a loss from discontinued operations of $(105.4) million in the three months ended September 30, 2014. The discontinued operations for the three months ended September 30, 2015 consisted of the results of operations of Waterloo and the gain associated with the sale of the business. The net loss from discontinued operations for the three months ended September 30, 2014 included a $111.8 million loss on the sale of Simonton.

Results By Segment

Cabinets

Net sales increased $150.7 million, or 33%, due to the benefit of the Norcraft acquisition (approximately $105 million), higher sales volume including the impact of new product introductions and the benefit of price increases to help mitigate cumulative raw material cost increases, partially offset by approximately $7 million of unfavorable foreign exchange.

Operating income increased $27.7 million, or 76%, due to higher sales volume, the benefit of approximately $12 million from the acquisition of Norcraft, price increases to help mitigate cumulative raw material cost increases and productivity improvements. These benefits were partially offset by higher employee-related costs and costs associated with investments to support manufacturing capacity increases for long-term growth.

Plumbing

Net sales increased $18.5 million, or 5%, due to higher sales volume in the U.S. driven by improving market conditions including the introduction of new products, the acquisition of Anaheim (approximately $8 million), price increases to help mitigate cumulative raw material cost increases, and higher international sales. These benefits were partially offset by higher sales rebates in 2015 and unfavorable foreign exchange of approximately $9 million.

Operating income increased $5.1 million, or 7%, due to higher sales volume and price increases to help mitigate cumulative raw material cost increases. Operating income was unfavorably impacted by higher sales rebates and approximately $3 million of foreign exchange rate.

Doors

Net sales increased $9.4 million, or 8%, due to higher sales volume driven primarily by improved conditions in the U.S. home products market, price increases to help mitigate cumulative raw material cost increases and favorable mix.

Operating income increased $4.6 million, or 38%, due to higher sales volume and price increases to help mitigate cumulative raw material cost increases.

Results By Segment (Continued)

Security

Net sales increased $2.5 million, or 2%, due primarily to the impact of the acquisition of SentrySafe (approximately $12 million), offset by lower international volume and approximately $4 million of unfavorable foreign exchange.

Operating income decreased $3.6 million, or 18%, primarily due to an increase of $3.9 million of restructuring and other charges mainly to relocate a manufacturing facility and lower sales volume. Operating income was favorably impacted by lower employee-related costs.

Corporate

Corporate expenses increased $3.0 million predominantly as a result of higher employee related costs due to increases in actuarial losses related to changes in defined benefit plan demographic data.

(In millions)	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014
General and administrative expense	$(16.7)	$ (15.9)
Defined benefit plan income	1.6	1.9
Defined benefit plan recognition of actuarial losses	(2.8)	(1.1)
Norcraft transaction costs[(a)]	(0.2)	—
Total Corporate expenses	$(18.1)	$ (15.1)

(a) *Represents external costs directly related to the acquisition of Norcraft and primarily includes expenditures for banking, legal, accounting and other similar services.*

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs are to support working capital requirements, fund capital expenditures and service indebtedness, as well as to finance acquisitions, repurchase shares of our common stock and pay dividends to stockholders, as deemed appropriate. Our principal sources of liquidity have been cash on hand, cash flows from operating activities, availability under our credit facilities and debt issuances in capital markets. Our operating income is generated by our subsidiaries. There are no legal restrictions on the ability of our subsidiaries to pay dividends or make other distributions to Fortune Brands. In December 2014, our Board of Directors increased the quarterly cash dividend by 17% to $0.14 per share of our outstanding common stock. Our Board of Directors will continue to evaluate dividend payment opportunities on a quarterly basis. There can be no assurance as to when and it future dividends will be paid, and at what level, because the payment of dividends is dependent on our financial condition, results of operations, cash flows, capital requirements and other factors deemed relevant by our Board of Directors.

In the first nine months of 2015, we repurchased 762,954 shares of our outstanding common stock under the Company's share repurchase program for $36.0 million. As of September 30, 2015, the Company's total remaining share repurchase authorization under the Company's repurchase programs was $263.5 million. The share repurchase programs do not obligate the Company to repurchase any specific dollar amount or number of shares and may be suspended or discontinued at any time.

We periodically review our portfolio of brands and evaluate potential strategic transactions to increase shareholder value. However, we cannot predict whether or when we may enter into acquisitions, joint ventures or dispositions, make any purchases of shares of our common stock under our share repurchase programs, or pay dividends, or what impact any such transactions could have on our results of operations, cash flows or financial condition, whether as a result of the issuance of debt or equity securities, or otherwise. Our cash flows from operations, borrowing availability and overall liquidity are subject to certain risks and uncertainties, including those described in the section of our Annual Report on Form 10-K for the year-ended December 31, 2014 entitled "Item 1A. Risk Factors."

Acquisitions and divestitures in 2015 and 2014 included:

- In September 2015, we completed the sale of the Waterloo tool storage business for approximately $14 million in cash, subject to certain post-closing adjustments.
- In May 2015, we acquired Norcraft, a leading manufacturer of kitchen and bathroom cabinetry, for a purchase price of $648.6 million. We financed this transaction using cash on hand and borrowings under our existing credit facilities.
- In December 2014, we acquired Anaheim, which markets and sells garbage disposals, for $28.9 million in cash. We paid the purchase price using a combination of cash on hand and borrowings under our existing credit facilities.
- In September 2014, we completed the sale of the Simonton windows business for $130 million in cash.
- In July 2014, we acquired SentrySafe for a purchase price of $116.7 million in cash. The purchase price was funded from our existing credit facilities.

In June 2015, we issued $900 million of Senior Notes in a registered public offering. The Senior Notes consist of two tranches: $400 million of five-year notes due 2020 with a coupon of 3% and $500 million of ten-year notes due 2025 with a coupon of 4%. We used the proceeds from the Senior Notes offering to pay down our revolving credit facility and for general purposes. On September 30, 2015, the outstanding amount of the Senior Notes, net of underwriting commissions and price discounts, was $891.4 million.

We also have a $975 million committed revolving credit facility, as well as a term loan in the initial amount of $525 million, both of which expire in July 2018. Both facilities can be used for general corporate purposes. On September 30, 2015 and December 31, 2014, our outstanding borrowings under the revolving credit facility were zero and $145.0 million, respectively; the amounts outstanding under term loan were $450.0 million and $525.0 million, respectively. Issuance of long-term debt in 2015 on the statement of cash flows includes borrowings under the revolving credit facility that were repaid when the Senior Notes were issued. The interest rates under all of these facilities are variable based on LIBOR at the time of the borrowing and the Company's leverage as measured by a debt to Adjusted EBITDA ratio. Based upon the Company's debt to Adjusted EBITDA ratio at September 30, 2015, the Company's borrowing rate could range from LIBOR + 1.0% to LIBOR + 2.0%. At September 30, 2015, we were in compliance with all covenants under these facilities.

On September 30, 2015, we had cash and cash equivalents of $350.6 million, of which $202.4 million was held at non-U.S. subsidiaries. We manage our global cash requirements considering (i) available funds among the subsidiaries through which we conduct business, (ii) the geographic location of our liquidity needs, and (iii) the cost to access international cash balances. The undistributed earnings of foreign subsidiaries are considered indefinitely reinvested. If these funds were needed for our operations in the U.S., the repatriation of non-U.S. cash balances from certain subsidiaries could have adverse tax consequences as we may be required to pay and record income tax expense on those funds to the extent they were previously considered indefinitely reinvested.

Our operating cash flows are significantly impacted by the seasonality of our business. We typically generate our operating cash flow in the third and fourth quarters of each year. We use operating cash in the first half of the year, particularly in the first quarter.

Cash Flows

Below is a summary of cash flows for the nine months ended September 30, 2015 and 2014.

(In millions)	Nine Months Ended September 30, 2015	2014
Net cash provided by operating activities	$ 264.1	$ 110.2
Net cash used in investing activities	(725.0)	(77.6)
Net cash provided by (used in) financing activities	630.5	(97.3)
Effect of foreign exchange rate changes on cash	(10.9)	(1.6)
Net increase (decrease) in cash and cash equivalents	$ 158.7	$ (66.3)

Net cash provided by operating activities was $264.1 million in the nine months ended September 30, 2015 compared to $110.2 million in the nine months ended September 30, 2014. The increase in cash provided of $153.9 million was primarily due to lower incentive compensation and customer program payments in the first quarter of 2015 compared to 2014.

Net cash used in investing activities was $725.0 million in the nine months ended September 30, 2015 compared to $77.6 million in the nine months ended September 30, 2014. The increase of $647.4 million was primarily due to the impact of Norcraft acquisition.

Net cash provided by financing activities was $630.5 million in the nine months ended September 30, 2015 compared to net cash used in financing activities of $97.3 million in the nine months ended September 30, 2014. The increase in cash provided of $727.8 million was primarily due to higher net borrowings of $341.6 million and lower share repurchases in 2015 compared to 2014 ($395.7 million decrease), partially offset by an increase in dividends in 2015 compared to 2014 ($8.6 million increase).

The cash flows related to discontinued operations are combined with cash flows from continuing operations within each category on the statements of cash flows.

Pension Plans

In 2015, we expect to make pension contributions of approximately $5 million. For the foreseeable future, we believe that we have sufficient liquidity to meet the minimum funding that may be required by the Pension Protection Act of 2006.

Foreign Exchange

We have investments in various foreign countries, principally Canada, Mexico, China and France. Therefore, changes in the value of the related currencies affect our financial statements when translated into U.S. dollars.

RECENTLY ISSUED ACCOUNTING STANDARDS

Simplifying Accounting for Measurement-Period Adjustments

In September 2015, the Financial Accounting Standards Board ("FASB") issued a final standard that eliminates the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determine the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The new standard is effective for the annual period beginning January 1, 2016 (calendar year 2016 for Fortune Brands). Early application is permitted, however we elected not to early adopt. We do not expect this standard to have a material effect on our financial statements.

Simplifying Subsequent Measurement of Inventory

In July 2015, the FASB issued a final standard that simplifies the subsequent measurement of inventory by replacing lower of cost or market test under the current GAAP. Under the current guidance the subsequent measurement of inventory is measured at the lower of cost or market, where "market" may have multiple possible outcomes. The new guidance requires subsequent measurement of inventory at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs to sell (completion, disposal, and transportation). This new standard is effective for the annual period beginning January 1, 2017. Earlier application is permitted, however we elected not to early adopt. We do not expect this standard to have a material effect on our financial statements.

Simplifying the Presentation of Debt Issuance Costs

In April 2015, the FASB issued Accounting Standards Update ("ASU") 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This ASU requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, instead of as a deferred charge (i.e., as an asset). This new standard is effective for the annual period beginning after December 15, 2015 (calendar year 2016 for Fortune Brands), and for annual periods and interim periods thereafter. Early adoption is permitted. The guidance will be applied on a retrospective basis. The adoption of this ASU will require us to reclassify approximately $3 million of debt issuance costs from a deferred asset to long-term debt as of September 30, 2015.

Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern

In August 2014, the FASB issued ASU 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." This ASU provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. This amendment is effective for the annual period ending after December 15, 2016 (year-end 2016 for Fortune Brands), and for annual periods and interim periods thereafter. Early application is permitted. We do not expect this standard to have a material effect on our financial statements.

Revenue from Contracts with Customers

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers.” This ASU clarifies the accounting for revenue arising from contracts with customers and specifies the disclosures that an entity should include in its financial statements. Further, in August 2015, the FASB issued a standard, which clarified that the amendment is effective for the annual reporting period beginning after December 15, 2017 (calendar year 2018 for Fortune Brands), and for annual and interim periods thereafter. We are assessing the impact the adoption of this standard will have on our financial statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There have been no material changes in the information provided in the section entitled "Quantitative and Qualitative Disclosures about Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2014.

Item 4. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures.

The Company's management has evaluated, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Control Over Financial Reporting.

There have not been any changes in the Company's internal control over financial reporting that occurred during the Company's fiscal quarter ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company is in the process of reviewing the internal control structure of acquired businesses and, if necessary, will make appropriate changes as we incorporate our controls and procedures into those recently acquired businesses.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS.

(a) Other Litigation.

The Company is a defendant in lawsuits associated with the normal conduct of its businesses and operations. It is not possible to predict the outcome of the pending actions, and, as with any litigation, it is possible that these actions could be decided unfavorably to the Company. The Company believes that there are meritorious defenses to these actions and that these actions will not have a material adverse effect upon the Company's results of operations, cash flows or financial condition, and, where appropriate, these actions are being vigorously contested.

(b) Environmental Matters.

We are subject to laws and regulations relating to protection of the environment. It is not possible to quantify with certainty the potential impact of actions relating to environmental matters, particularly remediation and other compliance efforts that our subsidiaries may undertake in the future. We believe, however, compliance with current environmental protection laws (before taking into account estimated recoveries from third parties) will not have a material adverse effect upon our results of operations, cash flows or financial condition.

Item 1A. RISK FACTORS.

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014 in the section entitled "Risk Factors."

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Below are the repurchases of common stock by the Company or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act) for the three months ended September 30, 2015:

Issuer Purchases of Equity Securities

Three Months Ended September 30, 2015	Total number of shares purchased (a)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (a)	Maximum dollar amount that may yet be purchased under the plans or programs (a)
July 1 – July 31	—	$ —	—	$ 299,058,940
August 1 – August 30	160,500	47.56	160,500	291,426,295
September 1 – September 30	592,472	47.16	592,054	263,507,427
Total	752,972	$ 47.24	752,554	

(a) *Information on the Company's share repurchase programs follows:*

Authorization and announcement date	*Authorization amount of shares of outstanding common stock*	*Expiration date*
June 2, 2014	*$ 250 million*	*June 2, 2016*
September 30, 2014	*$ 250 million*	*September 30, 2016*

Item 6. EXHIBITS

3(i).	Restated Certificate of Incorporation of Fortune Brands Home & Security, Inc. (incorporated herein by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 5, 2012, Commission file number 1-35166).
3(ii).	Amended and Restated By-laws of Fortune Brands Home & Security, Inc., as adopted September 27, 2011 (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on September 30, 2011, Commission file number 1-35166).
10.1.*	Fortune Brands Home & Security, Inc. Deferred Compensation Plan, effective November 1, 2015.
31.1.*	Certificate of Chief Executive Officer Required Under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2.*	Certificate of Chief Financial Officer Required Under Section 302 of the Sarbanes-Oxley Act of 2002.
32.*	Joint CEO/CFO Certificate Required Under Section 906 of the Sarbanes-Oxley Act of 2002.
101.*	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 formatted in eXtensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Statements of Comprehensive Income, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Cash Flows, (iv) the Condensed Consolidated Statements of Equity, and (v) the Notes to the Condensed Consolidated Financial Statements.

* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FORTUNE BRANDS HOME & SECURITY, INC.
(Registrant)

Date: October 30, 2015

/s/ E. Lee Wyatt, Jr.

E. Lee Wyatt, Jr.
Senior Vice President and Chief Financial Officer
(Duly authorized officer and principal financial officer of the Registrant)

EXHIBIT INDEX

Exhibit	
3(i).	Restated Certificate of Incorporation of Fortune Brands Home & Security, Inc. (incorporated herein by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 5, 2012, Commission file number 1-35166).
3(ii).	Amended and Restated By-laws of Fortune Brands Home & Security, Inc., as adopted September 27, 2011 (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on September 30, 2011, Commission file number 1-35166).
10.1.*	Fortune Brands Home & Security, Inc. Deferred Compensation Plan, effective November 1, 2015.
31.1.*	Certificate of Chief Executive Officer Required Under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2.*	Certificate of Chief Financial Officer Required Under Section 302 of the Sarbanes-Oxley Act of 2002.
32.*	Joint CEO/CFO Certificate Required Under Section 906 of the Sarbanes-Oxley Act of 2002.
101.*	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 formatted in eXtensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Statements of Comprehensive Income, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Cash Flows, (iv) the Condensed Consolidated Statements of Equity, and (v) the Notes to the Condensed Consolidated Financial Statements.

* Filed herewith.

Exhibit 10.1

FORTUNE BRANDS HOME & SECURITY, INC.

DEFERRED COMPENSATION PLAN

Effective November 1, 2015

Fortune Brands Home & Security, Inc. Deferred Compensation Plan

ARTICLE I

Establishment and Purpose

Fortune Brands Home & Security, Inc. (the "Company") hereby establishes the Fortune Brands Home and Security, Inc. Deferred Compensation Plan (the "Plan"), effective November 1, 2015. The purpose of the Plan is to attract and retain key personnel by providing opportunities to defer receipt of salary, bonus, or other specified compensation. The Plan is not intended to meet the qualification requirements of Code Section 401(a), but is intended to meet the requirements of Code Section 409A, and shall be operated and interpreted consistent with that intent.

The Plan constitutes an unsecured promise by a Participating Employer to pay benefits in the future. Participants in the Plan shall have the status of general unsecured creditors of the Company or the Adopting Employer, as applicable. Each Participating Employer shall be solely responsible for payment of the benefits of its employees and their beneficiaries. The Plan is unfunded for Federal tax purposes and is intended to be an unfunded arrangement for eligible employees who are part of a select group of management or highly compensated employees of the Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. Any amounts set aside to defray the liabilities assumed by the Company or an Adopting Employer will remain the general assets of the Company or the Adopting Employer and shall remain subject to the claims of the Company's or the Adopting Employer's creditors until such amounts are distributed to the Participants.

ARTICLE II

Definitions

2.1 Account. Account means a bookkeeping account maintained by the Plan Administrator to record the payment obligation of a Participating Employer to a Participant as determined under the terms of the Plan. The Plan Administrator may maintain an Account to record the total obligation to a Participant and component Accounts to reflect amounts payable at different times and in different forms and/or deferred at different times. Reference to an Account means any such Account established by the Plan Administrator, as the context requires. Accounts are intended to constitute unfunded obligations within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

2.2 Account Balance. Account Balance means, with respect to any Account, the total payment obligation owed to a Participant from such Account as of the most recent Valuation Date.

2.3 Adopting Employer. Adopting Employer means an Affiliate who, with the consent of the Company, has adopted the Plan for the benefit of its eligible employees.

2.4 Affiliate. Affiliate means a corporation, trade or business that, together with the Company, is treated as a single employer under Code Section 414(b) or (c).

2.5 Beneficiary. Beneficiary means a natural person, estate, or trust designated by a Participant to receive payments to which a Beneficiary is entitled in accordance with provisions of the Plan. The Participant’s spouse, if living, otherwise the Participant’s estate, shall be the Beneficiary if: (i) the Participant has failed to properly designate a Beneficiary, or (ii) all designated Beneficiaries have predeceased the Participant.

A former spouse shall have no interest under the Plan, as Beneficiary or otherwise, unless the Participant designates such person as a Beneficiary after dissolution of the marriage, except to the extent provided under the terms of a domestic relations order as described in Code Section 414(p)(1)(B).

2.6 Business Day. Business Day means each day on which the New York Stock Exchange is open for business.

2.7 Change in Control. Change in Control means, with respect to the Company, any of the following events as defined below: (a) a change in the ownership of the Company, (b) a change in the effective control of the Company, or (c) a change in the ownership of a substantial portion of the assets of the Company.

(a) For purposes of this Section, a change in the ownership of the Company occurs on the date on which any person (as that term is used in Sections 13(d) and 14(d) of the Exchange Act), or more than one person acting as a group becomes the beneficial owner (as that term is used in Sections 13(d) and 14(d) of the Exchange Act) of 50% or more of the total fair market value or total voting power of the stock of the Company (“Voting Securities”) excluding the following: (i) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company; (ii) any acquisition by the Company; (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company; (D) the acquisition of additional stock or voting power by a person considered to own more than 50% of the total fair market value or Voting Securities or (E) any acquisition pursuant to a transaction that complies with clauses (A), (B) and (C) of paragraph (c) below.

(b) For purposes of this Section, a change in the effective control of the Company occurs on the date on which either: (i) a person (as that term is used in Sections 13(d) and 14(d) of the Exchange Act), or more than one person acting as a group, acquires ownership of stock of the Company possessing 30% or more of Voting Securities, taking into account all such stock acquired during the 12-month period ending on the date of the most recent acquisition excluding the following: (A) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company; (B) any acquisition by the Company; (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company; (D) the acquisition of additional stock or voting power by a person considered to own more than 30% of the Voting Securities or (E) any acquisition pursuant to a transaction that complies with clauses (i), (ii) and (iii) of clause (c) below, or (ii) more than 50% of the members of the Company's Board of Directors during any 12-month period cease to be Continuing Directors (which term, as used in this Plan, means the directors of the Company: (A) who were members of the Company's Board of Directors on the effective date of this Plan; or (B) who subsequently became directors of the Company and who were elected or designated to be candidates for election as nominees of the Company's Board of Directors, or whose election or nomination for election by the Company's stockholders was otherwise approved, by a vote of a majority of the Continuing Directors then on the Company's Board of Directors but shall not include, in any event, any individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14(a)-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Company's Board of Directors).

(c) For purposes of this Section, a change in the ownership of a substantial portion of assets occurs if there is consummated a merger or consolidation of the Company with, or, any transaction or series of transactions in which, substantially all of the business or assets of the Company shall be sold or otherwise acquired by, another corporation or entity unless, as a result of the transaction(s): (A) the stockholders of the Company immediately prior to the transaction(s) shall beneficially own, directly or indirectly, at least 60% of the combined Voting Securities of the surviving, resulting or transferee corporation or entity (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the assets of the Company, either directly or through one or more subsidiaries) ("Newco") immediately after in substantially the same proportions as their ownership immediately prior to such corporate transaction; (B) no person beneficially owns (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, and the rules and applicable regulations), directly or indirectly, 30% or more of the combined Voting Securities of Newco immediately after such corporate transaction except to the extent that such ownership of the Company existed prior to such corporate transaction, and (C) more than 50% of the members of the board of directors of Newco shall be Continuing Directors.

An event constitutes a Change in Control with respect to a Participant only if the Participant performs services for the Company, or the Participant's relationship to the Company otherwise satisfies the requirements of Treasury Regulation Section 1.409A-3(i)(5)(ii).

With respect to any event(s) relating to an Adopting Employer, the Committee shall, in its sole discretion, make any determination as to the occurrence of a Change in Control in a manner that is similar to the above provisions of this Section 2.7.

Any determination under this Section 2.7 as to the occurrence of a Change in Control shall be based on objective facts and in accordance with the requirements of Code Section 409A.

2.8 Claimant. Claimant means a Participant or Beneficiary filing a claim under Article XII of this Plan.

2.9 Code. Code means the Internal Revenue Code of 1986, as amended from time to time.

2.10 Code Section 409A. Code Section 409A means section 409A of the Code, and regulations and other guidance issued by the Treasury Department and Internal Revenue Service thereunder.

2.11 Committee. Committee means the Compensation Committee of the Board of Directors of the Company.

2.12 Company. Company means Fortune Brands Home & Security, Inc., a Delaware corporation, or any successor.

2.13 Company Contribution. Company Contribution means a credit by the Committee to a Participant's Account(s) in accordance with the provisions of Article V of the Plan. Company Contributions are credited at the sole discretion of the Committee and the fact that a Company Contribution is credited in one year shall not obligate the Committee to continue to make such Company Contribution in subsequent years. Unless the context clearly indicates otherwise, a reference to Company Contribution shall include Earnings attributable to such contribution.

2.14 Company Stock. Company Stock means the common stock, par value $0.01, of the Company, and all appurtenant rights.

2.15 Compensation. Compensation means a Participant's base salary, bonus, commission, Director cash fees, Restricted Stock Units ("RSUs"), Company Stock and such other cash or equity-based compensation (if any) (which, with respect to Directors only, may include equity awards issued under any of the Company's Long-Term Incentive Plans) approved by the Plan Administrator as Compensation that may be deferred under this Plan. Compensation shall not include any compensation that has been previously deferred under this Plan or any other arrangement subject to Code Section 409A.

2.16 Compensation Deferral Agreement. Compensation Deferral Agreement means an agreement between a Participant and a Participating Employer that specifies: (i) the amount of each component of Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV, and (ii) the Payment Schedule applicable to one or more Accounts. The Plan Administrator may permit different deferral amounts for each component of Compensation and may establish a minimum or maximum deferral amount for each such component. Unless otherwise specified by the Plan Administrator in the Compensation Deferral Agreement, Participants may defer up to 80% of deferrable Compensation for a Plan Year. A Compensation Deferral Agreement may also specify the investment allocation described in Section 8.4.

2.17 Death Benefit. Death Benefit means the benefit payable under the Plan to a Participant's Beneficiary(ies) upon the Participant's death as provided in Section 6.1 of the Plan.

2.18 Deferral. Deferral means a credit to a Participant's Account(s) that records that portion of the Participant's Compensation that the Participant has elected to defer to the Plan in accordance with the provisions of Article IV. Unless the context of the Plan clearly indicates otherwise, a reference to Deferrals includes Earnings attributable to such Deferrals.

Deferrals shall be calculated with respect to the gross cash Compensation payable to the Participant prior to any deductions or withholdings, but shall be reduced by the Plan Administrator as necessary so that it does not exceed 100% of the cash Compensation of the Participant remaining after deduction of all required income and employment taxes, 401(k) and other employee benefit deductions, and other deductions required by law. Changes to payroll withholdings that affect the amount of Compensation being deferred to the Plan shall be allowed only to the extent permissible under Code Section 409A.

2.19 Director. Director means a non-employee member of the Board of Directors of the Company.

2.20 Earnings. Earnings means an adjustment to the value of an Account in accordance with Article VIII.

2.21 Effective Date. Effective Date means November 1, 2015.

2.22 Eligible Employee. Eligible Employee means a member of a "select group of management or highly compensated employees" of a Participating Employer within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, as determined by the Plan Administrator from time to time in its sole discretion.

2.23 Employee. Employee means a common-law employee of an Employer.

2.24 Employer. Employer means, with respect to Employees it employs, the Company and each Affiliate.

2.25 ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.26 Exchange Act. Exchange Act means the Securities Exchange Act of 1934, as amended.

2.27 Participant. Participant means an Eligible Employee or a Director who has received notification of his or her eligibility to defer Compensation under the Plan under Section 3.1 and any other person with an Account Balance greater than zero, regardless of whether such individual continues to be an Eligible Employee or a Director. A Participant's continued participation in the Plan shall be governed by Section 3.2 of the Plan.

2.28 Participating Employer. Participating Employer means the Company and each Adopting Employer.

2.29 Payment Schedule. Payment Schedule means the date as of which payment of an Account under the Plan will commence and the form in which payment of such Account will be made.

2.30 Performance-Based Compensation. Performance-Based Compensation means Compensation where the amount of, or entitlement to, the Compensation is contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months. Organizational or individual performance criteria are considered pre-established if established in writing by not later than 90 days after the commencement of the period of service to which the criteria relate, provided that the outcome is substantially uncertain at the time the criteria are established. The determination of whether Compensation qualifies as "Performance-Based Compensation" will be made in accordance with Treas. Reg. Section 1.409A-1(e) and subsequent guidance.

2.31 Plan. Generally, the term Plan means the "Fortune Brands Home & Security, Inc. Deferred Compensation Plan" as documented herein and as may be amended from time to time hereafter. However, to the extent permitted or required under Code Section 409A, the term Plan may in the appropriate context also mean a portion of the Plan that is treated as a single plan under Treas. Reg. Section 1.409A-1(c), or the Plan or portion of the Plan and any other nonqualified deferred compensation plan or portion thereof that is treated as a single plan under such section.

2.32 Plan Administrator. Plan Administrator means the Employee Benefits Action Committee of the Company or such other committee or person(s) as may be appointed by the Committee as its delegate to serve as the Plan Administrator with one or more of the authorities, duties, responsibilities, or obligations described herein. In the absence of any such appointment, the Plan Administrator shall be the Committee.

2.33 Plan Year. Plan Year means January 1 through December 31.

2.34 Record Keeper. Record Keeper means the person(s) or entity/entities with such obligations, authorities, or responsibilities with respect to the Plan as may be delegated by the Plan Administrator and agreed to by the Record Keeper from time to time.

2.35 Restricted Stock Units or RSUs means restricted stock units awarded to a Participant under any of the Company's Long-Term Incentive Plans or under any other similar plan or arrangement, which the Plan Administrator has designated as Compensation that may be deferred to the Plan.

2.36 Retirement. Retirement means a Participant's Separation from Service after attainment of age 55 and completion of five Years of Service.

2.37 Retirement Benefit. Retirement Benefit means the benefit payable to a Participant under the Plan following the Retirement of the Participant.

2.38 Retirement/Termination Account. Retirement/Termination Account means an Account established by the Plan Administrator to record the amounts payable to a Participant upon Separation from Service. Unless the Participant has established a Specified Date Account, all Deferrals and Company Contributions shall be allocated to a Retirement/Termination Account on behalf of the Participant.

2.39 Separation from Service. Separation from Service means an Employee's termination of employment with the Employer. A Director incurs a Separation from Service upon his or her retirement from the Board or in the event he or she does not stand for re-election at the end of his or her term. Whether a Separation from Service has occurred shall be determined by the Plan Administrator in accordance with Code Section 409A.

Except in the case of an Employee on a bona fide leave of absence as provided below, an Employee is deemed to have incurred a Separation from Service if the Employer and the Employee reasonably anticipated that the level of services to be performed by the Employee after a date certain would be reduced to 20% or less of the average services rendered by the Employee during the immediately preceding 36-month period (or the total period of employment, if less than 36 months), disregarding periods during which the Employee was on a bona fide leave of absence.

An Employee who is absent from work due to military leave, sick leave, or other bona fide leave of absence shall incur a Separation from Service on the first date immediately following the later of: (i) the six month anniversary of the commencement of the leave, or (ii) the expiration of the Employee's right, if any, to reemployment under statute or contract.

For purposes of determining whether a Separation from Service has occurred, the Employer means the Employer as defined in Section 2.24 of the Plan, except that in applying Code sections 1563(a)(1), (2) and (3) for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(b), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining whether another organization is an Affiliate of the Company under Code Section 414(c), "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in those sections.

The Plan Administrator specifically reserves the right to determine whether a sale or other disposition of substantial assets to an unrelated party constitutes a Separation from Service with respect to a Participant providing services to the seller immediately prior to the transaction and providing services to the buyer after the transaction. Such determination shall be made in accordance with the requirements of Code Section 409A.

2.40 Specified Date Account. Specified Date Account means an Account established by the Plan Administrator to record the amounts payable at a future date as specified in the Participant's Compensation Deferral Agreement. Unless otherwise determined by the Plan Administrator, a Participant may maintain no more than five Specified Date Accounts. A Specified Date Account may be identified in enrollment materials as an "In-Service Account" or such other name as established by the Plan Administrator without affecting the meaning thereof.

2.41 Specified Date Benefit. Specified Date Benefit means the benefit payable to a Participant under the Plan in accordance with Section 6.1(c).

2.42 Specified Employee. Specified Employee means an Employee who, as of the date of his or her Separation from Service, is a "key employee" of the Company or any Affiliate. An Employee is a key employee if he or she meets the requirements of Code Section 416(i)(1)(A)(i), (ii), or (iii) (applied in accordance with applicable regulations thereunder and without regard to Code Section 416(i)(5)) at any time during the 12-month period ending on the Specified Employee Identification Date. Such Employee shall be treated as a key employee for the entire 12-month period beginning on the Specified Employee Effective Date.

For purposes of determining whether an Employee is a Specified Employee, the compensation of the Employee shall be determined in accordance with the definition of compensation provided under Treas. Reg. Section 1.415(c)-2(d)(2) (wages, salaries, fees for professional services, and other amounts received for personal services actually rendered in the course of employment with the employer maintaining the plan, to the extent such amounts are includible in gross income or would be includible but for an election under section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) or 457(b), including the earned income of a self-employed individual); provided, however, that, with respect to a nonresident alien who is not a Participant in the Plan, compensation shall not include compensation that is not includible in the gross income of the Employee under Code Sections 872, 893, 894, 911, 931 and 933, provided such compensation is not effectively connected with the conduct of a trade or business within the United States.

Notwithstanding anything in this paragraph to the contrary: (i) if a different definition of compensation has been designated by the Company with respect to another nonqualified deferred compensation plan in which a key employee participates, the definition of compensation shall be the definition provided in Treas. Reg. Section 1.409A-1(i)(2), and (ii) the Company may through action that is legally binding with respect to all nonqualified deferred compensation plans maintained by the Company, elect to use a different definition of compensation.

In the event of corporate transactions described in Treas. Reg. Section 1.409A-1(i)6), the identification of Specified Employees shall be determined in accordance with the default rules described therein, unless the Employer elects to utilize the available alternative methodology through designations made within the timeframes specified therein.

2.43 Specified Employee Identification Date. Specified Employee Identification Date means December 31, unless the Employer has elected a different date through action that is legally binding with respect to all nonqualified deferred compensation plans maintained by the Employer.

2.44 Specified Employee Effective Date. Specified Employee Effective Date means the first day of the fourth month following the Specified Employee Identification Date, or such earlier date as is selected by the Plan Administrator.

2.45 Substantial Risk of Forfeiture. Substantial Risk of Forfeiture means the description specified in Treas. Reg. Section 1.409A-1(d).

2.46 Termination Benefit. Termination Benefit means the benefit payable to a Participant under the Plan following the Participant's Separation from Service prior to Retirement.

2.47 Unforeseeable Emergency. Unforeseeable Emergency means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's dependent (as defined in Code section 152, without regard to section 152(b)(1), (b)(2), and (d)(1)(B)), or a Beneficiary; loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The types of events which may qualify as an Unforeseeable Emergency may be limited by the Plan Administrator.

2.48 Valuation Date. Valuation Date means each Business Day.

2.49 Year of Service. Year of Service means each 12-month period of continuous service with the Employer.

ARTICLE III

Eligibility and Participation

3.1 Eligibility and Participation. An Eligible Employee or a Director becomes a Participant upon the earlier to occur of: (i) a credit of Company Contributions under Article V, or (ii) receipt of notification of eligibility to participate.

3.2 Duration. A Participant shall be eligible to defer Compensation and receive allocations of Company Contributions (if any), subject to the terms of the Plan, for as long as such Participant remains an Eligible Employee or a Director. A Participant who is no longer an Eligible Employee but has not Separated from Service, or who is no longer a Director, may not defer Compensation under the Plan beyond the Plan Year in which he or she became ineligible but may otherwise exercise all of the rights of a Participant under the Plan with respect to his or her Account(s). On and after a Separation from Service, a Participant shall remain a Participant as long as his or her Account Balance is greater than zero (0), and during such time may continue to make allocation elections as provided in Section 8.4. An individual shall cease being a Participant in the Plan when all benefits under the Plan to which he or she is entitled have been paid.

ARTICLE IV

Deferrals

4.1 Deferral Elections, Generally.

(a) A Participant may elect to defer Compensation by submitting a Compensation Deferral Agreement during the enrollment periods established by the Plan Administrator and in the manner specified by the Plan Administrator, but in any event, in accordance with Section 4.2. A Compensation Deferral Agreement that is not timely filed with respect to a service period or component of Compensation shall be considered void and shall have no effect with respect to such service period or Compensation. The Plan Administrator may modify any Compensation Deferral Agreement prior to the date the election becomes irrevocable under the rules of Section 4.2, as may be needed, to comply with the terms of the Plan (as it may be amended from time to time) and/or as may be required by law.

(b) The Participant shall specify on his or her Compensation Deferral Agreement the amount of Deferrals and whether to allocate Deferrals to a Retirement/Termination Account or to a Specified Date Account. If no designation is made, Deferrals shall be allocated to the Retirement/Termination Account. A Participant may also specify in his or her Compensation Deferral Agreement the Payment Schedule applicable to his or her Plan Accounts. If the Payment Schedule is not specified in a Compensation Deferral Agreement, the Payment Schedule shall be the Payment Schedule specified in Section 6.2.

4.2 <u>Timing Requirements for Compensation Deferral Agreements.</u>

(a) *First Year of Eligibility.* In the case of the first year in which an Eligible Employee or a Director becomes eligible to participate in the Plan following the annual enrollment period, he or she has up to 30 days following his or her initial eligibility to submit a Compensation Deferral Agreement with respect to Compensation to be earned during such year. The Compensation Deferral Agreement described in this paragraph becomes irrevocable upon the end of such 30-day period. The determination of whether an Eligible Employee or a Director may file a Compensation Deferral Agreement under this paragraph shall be determined in accordance with the rules of Code Section 409A, including the provisions of Treas. Reg. Section 1.409A-2(a)(7).

A Compensation Deferral Agreement filed under this paragraph applies to Compensation earned on and after the date the Compensation Deferral Agreement becomes irrevocable.

(b) *Prior Year Election.* Except as otherwise provided in this Section 4.2, Participants may defer Compensation by filing a Compensation Deferral Agreement no later than December 31 of the year prior to the year in which the Compensation to be deferred is earned. A Compensation Deferral Agreement described in this paragraph shall become irrevocable with respect to such Compensation as of January 1 of the year in which such Compensation is earned.

(c) *Performance-Based Compensation.* Participants may file a Compensation Deferral Agreement with respect to Performance-Based Compensation no later than the date that is six months before the end of the performance period, provided that:

(i) the Participant performs services continuously from the later of the beginning of the performance period or the date the criteria are established through the date the Compensation Deferral Agreement is submitted; and

(ii) the Compensation is not readily ascertainable as of the date the Compensation Deferral Agreement is filed.

A Compensation Deferral Agreement becomes irrevocable with respect to Performance-Based Compensation as of the day immediately following the latest date for filing such election. Any election to defer Performance-Based Compensation that is made in accordance with this paragraph and that becomes payable as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-1(e)) or upon a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)) prior to the satisfaction of the performance criteria, will be void.

(d) *Short-Term Deferrals.* Compensation that meets the definition of a "short-term deferral" described in Treas. Reg. Section 1.409A-1(b)(4) may be deferred in accordance with the rules of Article VII, applied as if the date the Substantial Risk of Forfeiture lapses is the date payments were originally scheduled to commence, provided, however, that the provisions of Section 7.3 shall not apply to payments attributable to a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)).

(e) *Certain Forfeitable Rights.* With respect to a legally binding right to a payment in a subsequent year that is subject to a forfeiture condition requiring the Participant's continued services for a period of at least 12 months from the date the Participant obtains the legally binding right, an election to defer such Compensation may be made on or before the 30th day after the Participant obtains the legally binding right to the Compensation, provided that the election is made at least 12 months in advance of the earliest date at which the forfeiture condition could lapse. The Compensation Deferral Agreement described in this paragraph becomes irrevocable after such 30th day. If the forfeiture condition applicable to the payment lapses before the end of the required service period as a result of the Participant's death or disability (as defined in Treas. Reg. Section 1.409A-3(i)(4)) or upon a Change in Control (as defined in Treas. Reg. Section 1.409A-3(i)(5)), the Compensation Deferral Agreement will be void unless it would be considered timely under another rule described in this Section.

(f) *Company Awards.* The Committee may unilaterally provide for deferrals of Company awards prior to the date of such awards. Deferrals of Company awards (such as sign-on, retention, or severance pay) may be negotiated with a Participant prior to the date the Participant has a legally binding right to such Compensation.

(g) *"Evergreen" Deferral Elections.* The Plan Administrator, in its discretion, may provide in the Compensation Deferral Agreement that such Compensation Deferral Agreement will continue in effect for each subsequent year or performance period. Such "evergreen" Compensation Deferral Agreements will become effective with respect to an item of Compensation on the date such election becomes irrevocable under this Section 4.2. An evergreen Compensation Deferral Agreement may be terminated or modified prospectively with respect to

Compensation for which such election remains revocable under this Section 4.2. A Participant whose Compensation Deferral Agreement is cancelled in accordance with Section 4.6 will be required to file a new Compensation Deferral Agreement under this Article IV in order to recommence Deferrals under the Plan.

4.3 Allocation of Deferrals. A Compensation Deferral Agreement may allocate Deferrals to one or more Specified Date Accounts and/or to the Retirement/Termination Account. The Plan Administrator may, in its discretion, establish a minimum deferral period for the establishment of a Specified Date Account (for example, the third Plan Year following the year Compensation is allocated to such accounts), and the minimum deferral period so established may vary according to the type of Compensation being deferred to such Account.

4.4 Deductions from Pay. The Plan Administrator has the authority to determine the payroll practices under which any component of Compensation subject to a Compensation Deferral Agreement will be deducted from a Participant's Compensation.

4.5 Vesting. Participant Deferrals of RSUs shall become vested in accordance with the vesting schedule contained in the award notice and restricted stock unit agreement with which the RSUs were granted; all other Participant Deferrals shall be 100% vested at all times.

4.6 Cancellation of Deferrals. The Plan Administrator may cancel a Participant's Deferrals: (i) for the balance of the Plan Year in which an Unforeseeable Emergency occurs, (ii) if the Participant receives a hardship distribution under the Employer's qualified 401(k) plan, through the end of the Plan Year in which the six month anniversary of the hardship distribution falls, and (iii) during periods in which the Participant is unable to perform the duties of his or her position or any substantially similar position due to a mental or physical impairment that can be expected to result in death or last for a continuous period of at least six months, provided cancellation occurs by the later of the end of the taxable year of the Participant or the 15th day of the third month following the date the Participant incurs the disability (as defined in this paragraph (iii)).

ARTICLE V

Company Contributions

5.1 Discretionary Company Contributions. The Committee may, from time to time in its sole and absolute discretion, credit Company Contributions to any Participant in any amount determined by the Committee. Such contributions will be credited to a Participant's Retirement/Termination Account.

5.2 Vesting. Company Contributions described in Section 5.1, above, and the Earnings thereon, shall vest in accordance with the vesting schedule(s) established by the Committee at the time that the Company Contribution is made. All Company Contributions shall become 100% vested if, while actively employed, the Participant (i) dies, (ii) Retires, or (iii) is affected by a Change in Control. The Committee may, at any time, in its sole discretion, increase a Participant's vested interest in a Company Contribution. The portion of a Participant's Accounts that remains unvested upon his or her Separation from Service after the application of the terms of this Section 5.2 shall be forfeited.

ARTICLE VI

Benefits

6.1 Benefits, Generally. A Participant shall be entitled to the following benefits under the Plan:

(a) *Retirement Benefit.* Upon the Participant's Separation from Service due to Retirement, he or she shall be entitled to a Retirement Benefit. The Retirement Benefit shall be equal to the vested portion of the Retirement/Termination Account based on the value of that Account as of the end of the month in which Separation from Service occurs or such later date as the Plan Administrator, in its sole discretion, shall determine. Payment of the Retirement Benefit will be made or begin the first day of the month following the month in which Separation from Service occurs, provided, however, that with respect to a Participant who is a Specified Employee as of the date such Participant incurs a Separation from Service, payment will be made or begin on the first day of the seventh month following the month in which such Separation from Service occurs. If the Retirement Benefit is to be paid in the form of installments, any subsequent installment payments to a Specified Employee will be paid on the anniversary of the date the initial installment was made.

(b) *Termination Benefit.* Upon the Participant's Separation from Service for reasons other than death or Retirement, he or she shall be entitled to a Termination Benefit. The Termination Benefit shall be equal to the vested portion of the Retirement/Termination Account based on the value of that Account as of the end of the month in which Separation from Service occurs or such later date as the Plan Administrator, in its sole discretion, shall determine. Payment of the Termination Benefit will be made on the first day of the month following the month in which Separation from Service occurs, provided, however, that with respect to a Participant who is a Specified Employee as of the date such Participant incurs a Separation from Service, payment will be made on the first day of the seventh month following the month in which such Separation from Service occurs.

(c) *Specified Date Benefit.* If the Participant has established one or more Specified Date Accounts, he or she shall be entitled to a Specified Date Benefit with respect to each such Specified Date Account. The Specified Date Benefit shall be equal to the vested portion of the Specified Date Account, based on the value of that Account as of the end of the month designated by the Participant at the time the Account was established. Payment of the Specified Date Benefit will be made or begin the first day of the month following the designated month. Notwithstanding the preceding sentence, balances remaining in Specified Date Accounts on the date the Participant Separates from Service shall be distributed on the first day of the month following the month in which Separation from Service occurs, provided, however, that with respect to a Participant who is a Specified Employee as of the date such Participant incurs a Separation from Service, payment will be made on the first day of the seventh month following the month in which such Separation from Service occurs

(d) *Death Benefit.* In the event of the Participant's death, his or her designated Beneficiary(ies) shall be entitled to a Death Benefit. The Death Benefit shall be equal to the vested portion of the Retirement/Termination Account and the vested and unpaid balances of any Specified Date Accounts, based on the value of the Accounts as of the end of the month in which death occurred, with payment made in the following month.

A Participant who consents to the Employer's purchase of insurance on his or her life shall also be entitled to a Supplemental Death Benefit if the Participant dies while actively employed. The Supplemental Death Benefit shall be in the amount of $50,000 and shall be paid at the same time as payment of other death benefits hereunder.

(e) *Unforeseeable Emergency Payments.* A Participant who experiences an Unforeseeable Emergency may submit a written request to the Plan Administrator to receive payment of all or any portion of his or her vested Accounts. Whether a Participant or Beneficiary is faced with an Unforeseeable Emergency permitting an emergency payment shall be determined by the Plan Administrator based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of Unforeseeable Emergency may not be made to the extent that such emergency is or may be reimbursed through insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of Deferrals under this Plan. If an emergency payment is approved by the Plan Administrator, the amount of the payment shall not exceed the amount reasonably necessary to satisfy the need, taking into account the additional compensation that is available to the Participant as the result of cancellation of deferrals to the Plan, including amounts necessary to pay any taxes or penalties that the Participant reasonably anticipates will result from the payment. The amount of the emergency payment shall be subtracted pro rata from the vested portion of each Account. Emergency payments shall be paid in a single lump sum within the 90-day period following the date the payment is approved by the Plan Administrator.

6.2 Form of Payment.

(a) *Retirement Benefit.* A Participant who is entitled to receive a Retirement Benefit shall receive payment of such benefit in a single lump sum, unless the Participant elects on his or her initial Compensation Deferral Agreement to have such benefit paid in one of the following alternative forms of payment (i) substantially equal annual installments over a period of two to fifteen years, as elected by the Participant, or (ii) a lump sum payment of a percentage of the balance in the Retirement/Termination Account, with the balance paid in substantially equal annual installments over a period of two to fifteen years, as elected by the Participant.

(b) *Termination Benefit*. A Participant who is entitled to receive a Termination Benefit shall receive payment of such benefit in a single lump sum.

(c) *Specified Date Benefit.* The Specified Date Benefit shall be paid in a single lump sum, unless the Participant elects on the Compensation Deferral Agreement with which the account was established to have the Specified Date Account paid in substantially equal annual installments over a period of two to five years, as elected by the Participant.

Notwithstanding any election of a form of payment by the Participant, upon a Separation from Service the unpaid balances of any Specified Date Accounts shall be paid in a single lump sum.

(d) *Death Benefit.* A designated Beneficiary who is entitled to receive a Death Benefit shall receive payment of such benefit in a single lump sum. If a Supplemental Death Benefit is payable in accordance with Section 6.1(d), such benefit shall also be payable in a single lump sum.

(e) *Change in Control.* A Participant will receive a single lump sum payment equal to the unpaid balance of all of his or her Accounts if Separation from Service occurs within 24 months following a Change in Control.

A Participant or Beneficiary receiving installment payments when a Change in Control occurs, will receive the remaining account balance in a single lump sum within 90 days following the Change in Control.

(f) *Small Account Balances.* The Plan Administrator shall pay the value of the Participant's Accounts upon a Separation from Service in a single lump sum if the balance of such Accounts is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), provided the payment represents the complete liquidation of the Participant's interest in the Plan.

(g) *Rules Applicable to Installment Payments.* If a Payment Schedule specifies installment payments, annual payments will be made beginning as of the payment commencement date for such installments and shall continue on each anniversary thereof until the number of installment payments specified in the Payment Schedule has been paid. The amount of each installment payment shall be determined by dividing (a) by (b), where (a) equals the Account Balance as of the Valuation Date and (b) equals the remaining number of installment payments.

For purposes of Article VII, installment payments will be treated as a single form of payment. If a lump sum equal to less than 100% of the Retirement/Termination Account is paid, the payment commencement date for the installment form of payment will be the first anniversary of the payment of the lump sum.

6.3 Acceleration of or Delay in Payments. The Committee, in its sole and absolute discretion, may elect to accelerate the time or form of payment of a benefit owed to the Participant hereunder, provided such acceleration is permitted under Treas. Reg. Section 1.409A-3(j)(4). The Committee may also, in its sole and absolute discretion, delay the time for payment of a benefit owed to the Participant hereunder, to the extent permitted under Treas. Reg. Section 1.409A-2(b)(7). If the Plan receives a domestic relations order (within the meaning of Code Section 414(p)(1)(B)) directing that all or a portion of a Participant's Accounts be paid to an "alternate payee," any amounts to be paid to the alternate payee(s) shall be paid in a single lump sum.

ARTICLE VII

Modifications to Payment Schedules

7.1 Participant's Right to Modify. A Participant may modify any or all of the alternative Payment Schedules with respect to an Account, consistent with the permissible Payment Schedules available under the Plan, provided such modification complies with the requirements of this Article VII.

7.2 Time of Election. The date on which a modification election is submitted to the Plan Administrator must be at least 12 months prior to the date on which payment is scheduled to commence under the Payment Schedule in effect prior to the modification.

7.3 Date of Payment under Modified Payment Schedule. Except with respect to modifications that relate to the payment of a Death Benefit, the date payments are to commence under the modified Payment Schedule must be no earlier than five years after the date payment would have commenced under the original Payment Schedule. Under no circumstances may a modification election result in an acceleration of payments in violation of Code Section 409A.

7.4 Effective Date. A modification election submitted in accordance with this Article VII is irrevocable upon receipt by the Plan Administrator and becomes effective 12 months after such date.

7.5 Effect on Accounts. An election to modify a Payment Schedule is specific to the Account or payment event to which it applies, and shall not be construed to affect the Payment Schedules of any other Accounts.

ARTICLE VIII

Valuation of Account Balances; Investments

8.1 Valuation. Deferrals shall be credited to appropriate Accounts on the date such Compensation would have been paid to the Participant absent the Compensation Deferral Agreement. Company Contributions shall be credited to the Retirement/Termination Account at the times determined by the Plan Administrator. Valuation of Accounts shall be performed under procedures approved by the Plan Administrator.

8.2 Earnings Credit. Each Account will be credited with Earnings on each Business Day, based upon the Participant's investment allocation among a menu of investment options selected in advance by the Plan Administrator, in accordance with the provisions of this Article VIII ("investment allocation").

8.3 Investment Options. Investment options will be determined by the Plan Administrator. The Plan Administrator, in its sole discretion, shall be permitted to add or remove investment options from the Plan menu from time to time, provided that any such additions or removals of investment options shall not be effective with respect to any period prior to the effective date of such change.

8.4 Investment Allocations. A Participant's investment allocation constitutes a deemed, not actual, investment among the investment options comprising the investment menu. At no time shall a Participant have any real or beneficial ownership in any investment option included in the investment menu, nor shall the Participating Employer or any trustee acting on its behalf have any obligation to purchase actual securities as a result of a Participant's investment allocation. A Participant's investment allocation shall be used solely for purposes of adjusting the value of a Participant's Account Balances.

A Participant shall specify an investment allocation for each of his Accounts in accordance with procedures established by the Plan Administrator. Allocation among the investment options must be designated in increments of 1% (or such other minimum percentage or amount as may be specified by the Plan Administrator).

8.5 Unallocated Deferrals and Accounts. If the Participant fails to make an investment allocation with respect to an Account, such Account shall be invested in an investment option, the primary objective of which is the preservation of capital, as determined by the Plan Administrator.

8.6 Company Stock Account. The Plan Administrator shall make available a Company Stock Account as one of the investment options described in Section 8.3. All Company Stock Deferrals and RSU Deferrals shall be irrevocably allocated to the Company Stock Account. A Participant may only allocate Company Stock Deferrals or RSU Deferrals to the Company Stock Account. Dividend equivalents with respect to Company Stock Deferrals or RSU Deferrals will be credited to the applicable Accounts in cash in accordance with the Participant's most recent investment allocation for such Account or, if none, as provided in Section 8.5.

8.7 Payments from the Company Stock Account. The portion of an Account that is invested in Company Stock Account will be paid under Article VI in the form of whole shares of Company Stock. If such portion is to be paid in installments, any fractional shares will be paid in cash and will be distributed with the final installment.

ARTICLE IX

Administration

9.1 Plan Administration. The Plan Administrator shall have discretionary authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of this Plan and to utilize its discretion to decide or resolve any and all questions, including but not limited to eligibility for benefits and interpretations of this Plan and its terms, as may arise in connection with the Plan. Claims for benefits shall be filed with the Plan Administrator and resolved in accordance with the claims procedures in Article XII. The Plan Administrator is the named fiduciary (within the meaning of Section 402(a)(1) of ERISA) with respect to the Supplemental Death Benefit described in Section 6.1(d).

9.2 Administration Upon Change in Control. Upon a Change in Control, the Plan Administrator and Committee, as constituted immediately prior to such Change in Control, shall continue to act respectively as the Plan Administrator and Committee. Notwithstanding the foregoing, neither the Committee nor the Plan Administrator shall have authority to direct investment of trust assets under any rabbi trust described in Section 11.2.

The Participating Employer shall, with respect to the Plan Administrator and Committee identified under this Section: (i) pay all reasonable expenses and fees of the Plan

Administrator and Committee, (ii) indemnify the Plan Administrator and Committee (including individuals serving as Committee members) against any costs, expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Plan Administrator and/or the Committee's duties hereunder, except with respect to matters resulting from the Plan Administrator and/or the Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Plan Administrator and/or Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Plan Administrator and/or Committee may reasonably require.

9.3 Withholding. The Participating Employer shall have the right to withhold from any payment due under the Plan (or with respect to any amounts credited to the Plan) any Federal, state, local or other taxes which may be required to be withheld or paid as in respect of such payment (or credit). Withholdings with respect to amounts credited to the Plan shall be deducted from Compensation that has not been deferred to the Plan.

9.4 Indemnification. The Participating Employers shall indemnify and hold harmless each employee, officer, director, agent or organization, to whom or to which are delegated duties, responsibilities, and authority under the Plan or otherwise with respect to administration of the Plan, including, without limitation, the Plan Administrator and the Committee and their agents, against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him or it (including but not limited to reasonable attorney fees) which arise as a result of his or its actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Participating Employer. Notwithstanding the foregoing, the Participating Employer shall not indemnify any person or organization if his or its actions or failure to act are due to gross negligence or willful misconduct or for any such amount incurred through any settlement or compromise of any action unless the Participating Employer consents in writing to such settlement or compromise.

9.5 Delegation of Authority. In the administration of this Plan, the Plan Administrator and/or the Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with legal counsel who shall be legal counsel to the Company.

9.6 Binding Decisions or Actions. The decision or action of the Plan Administrator and/or the Committee in respect of any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

Article X

Amendment and Termination

10.1 Amendment and Termination. The Company may at any time and from time to time as it shall deem advisable amend the Plan or may terminate the Plan as provided in this Article X. Each Participating Employer may also terminate its participation in the Plan.

10.2 Amendments. The Company, by action taken by the Committee, may amend the Plan at any time and for any reason, provided that any such amendment shall not reduce the vested Account Balances of any Participant accrued as of the date of any such amendment or restatement (as if the Participant had incurred a voluntary Separation from Service on such date) or reduce any rights of a Participant under the Plan or other Plan features with respect to Deferrals made prior to the date of any such amendment or restatement without the consent of the Participant. The Committee has the authority to amend the Plan without the consent of the Board of Directors for the purpose of: (i) conforming the Plan to the requirements of law; (ii) facilitating the administration of the Plan; (iii) clarifying provisions based on the Committee's interpretation of the document; and (iv) making such other amendments as the Board of Directors may authorize.

10.3 Termination. The Company, by action taken by the Committee, may terminate the Plan and pay Participants and Beneficiaries their Account Balances in a single lump sum at any time, to the extent and in accordance with Treas. Reg. Section 1.409A-3(j)(4)(ix). If a Participating Employer terminates its participation in the Plan, the benefits of affected Employees shall be paid at the time provided in Article VI.

10.4 Accounts Taxable Under Code Section 409A. The Plan is intended to constitute a plan of deferred compensation that meets the requirements for deferral of income taxation under Code Section 409A. The Committee, pursuant to its authority to interpret the Plan, may sever from the Plan or any Compensation Deferral Agreement any provision or exercise of a right that otherwise would result in a violation of Code Section 409A.

Article XI

Informal Funding

11.1 General Assets. Obligations established under the terms of the Plan may be satisfied from the general funds of the Participating Employers, or a trust described in this Article XI. No Participant, spouse or Beneficiary shall have any right, title or interest whatever in assets of the Participating Employers. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Participating Employers and any Employee, spouse, or Beneficiary. To the extent that any person acquires a right to receive payments hereunder, such rights are no greater than the right of an unsecured general creditor of the Participating Employer.

11.2 Rabbi Trust. The Company may, in its sole discretion, establish a grantor trust, commonly known as a rabbi trust, as a vehicle for accumulating assets to pay benefits under the Plan. Payments under the Plan may be paid from the general assets of the Participating Employer or from the assets of any such rabbi trust. Payment from any such source shall reduce the obligation owed to the Participant or Beneficiary under the Plan.

ARTICLE XII

Claims

12.1 Filing a Claim. Any controversy or claim arising out of or relating to the Plan shall be filed in writing with the Plan Administrator which shall make all determinations concerning such claim. Any claim filed with the Plan Administrator and any decision by the Plan Administrator denying such claim shall be in writing and shall be delivered to the Participant or Beneficiary filing the claim (the "Claimant").

(a) *In General.* Notice of a denial of benefits will be provided within 90 days of the Committee's receipt of the Claimant's claim for benefits. If the Plan Administrator determines that it needs additional time to review the claim, the Plan Administrator will provide the Claimant with a notice of the extension before the end of the initial 90-day period. The extension will not be more than 90 days from the end of the initial 90-day period and the notice of extension will explain the special circumstances that require the extension and the date by which the Plan Administrator expects to make a decision.

(b) *Contents of Notice.* If a claim for benefits is completely or partially denied, notice of such denial shall be in writing and shall set forth the reasons for denial in plain language. The notice shall: (i) cite the pertinent provisions of the Plan document, and (ii) explain, where appropriate, how the Claimant can perfect the claim, including a description of any additional material or information necessary to complete the claim and why such material or information is necessary. The claim denial also shall include an explanation of the claims review procedures and the time limits applicable to such procedures, including a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision on review.

12.2 Appeal of Denied Claims. A Claimant whose claim has been completely or partially denied shall be entitled to appeal the claim denial by filing a written appeal with a committee designated to hear such appeals (the "Appeals Committee"). A Claimant who timely requests a review of the denied claim (or his or her authorized representative) may review, upon request and free of charge, copies of all documents, records and other information relevant to the denial and may submit written comments, documents, records and other information relevant to the claim to the Appeals Committee. All written comments, documents, records, and other information shall be considered "relevant" if the information: (i) was relied upon in making a benefits determination, (ii) was submitted, considered or generated in the course of making a benefits decision regardless of whether it was relied upon to make the decision, or (iii) demonstrates compliance with administrative processes and safeguards established for making benefit decisions. The Appeals Committee may, in its sole discretion and if it deems appropriate or necessary, decide to hold a hearing with respect to the claim appeal.

(a) *In General.* Appeal of a denied benefits claim must be filed in writing with the Appeals Committee no later than 60 days after receipt of the written notification of such claim denial. The Appeals Committee shall make its decision regarding the merits of the denied claim within 60 days following receipt of the appeal (or within 120 days after such receipt, in a case where there are special circumstances requiring extension of time for reviewing the appealed claim). If an extension of time for reviewing the appeal is required because of special circumstances, written notice of the extension shall be furnished to the Claimant prior to the commencement of the extension. The notice will indicate the special circumstances requiring the extension of time and the date by which the Appeals Committee expects to render the determination on review. The review will take into account comments, documents, records and other information submitted by the Claimant relating to the claim without regard to whether such information was submitted or considered in the initial benefit determination.

(b) *Contents of Notice.* If a benefits claim is completely or partially denied on review, notice of such denial shall be in writing and shall set forth the reasons for denial in plain language.

The decision on review shall set forth: (i) the specific reason or reasons for the denial, (ii) specific references to the pertinent Plan provisions on which the denial is based, (iii) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, or other information relevant (as defined above) to the Claimant's claim, and (iv) a statement describing any voluntary appeal procedures offered by the plan and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

12.3 Claims Appeals Upon Change in Control. Upon a Change in Control, the Appeals Committee, as constituted immediately prior to such Change in Control, shall continue to act as the Appeals Committee. The Appeals Committee shall have the exclusive authority at the appeals stage to interpret the terms of the Plan and resolve appeals under the Claims Procedure.

Each Participating Employer shall, with respect to the Committee identified under this Section: (i) pay its proportionate share of all reasonable expenses and fees of the Appeals

Committee, (ii) indemnify the Appeals Committee (including individual committee members) against any costs, expenses and liabilities including, without limitation, attorneys' fees and expenses arising in connection with the performance of the Appeals Committee hereunder, except with respect to matters resulting from the Appeals Committee's gross negligence or willful misconduct, and (iii) supply full and timely information to the Appeals Committee on all matters related to the Plan, any rabbi trust, Participants, Beneficiaries and Accounts as the Appeals Committee may reasonably require.

12.4 Legal Action. A Claimant may not bring any legal action, including commencement of any arbitration, relating to a claim for benefits under the Plan unless and until the Claimant has followed the claims procedures under the Plan and exhausted his or her administrative remedies under such claims procedures.

If a Participant or Beneficiary prevails in a legal proceeding brought under the Plan to enforce the rights of such Participant or any other similarly situated Participant or Beneficiary, in whole or in part, the Participating Employer shall reimburse such Participant or Beneficiary for all legal costs, expenses, attorneys' fees and such other liabilities incurred as a result of such proceedings. If the legal proceeding is brought in connection with a Change in Control, or a "change in control" as defined in a rabbi trust described in Section 11.2, the Participant or Beneficiary may file a claim directly with the trustee for reimbursement of such costs, expenses and fees. For purposes of the preceding sentence, the amount of the claim shall be treated as if it were an addition to the Participant's or Beneficiary's Account Balance.

12.5 Discretion of Appeals Committee. All interpretations, determinations and decisions of the Appeals Committee with respect to any claim shall be made in its sole discretion, and shall be final and conclusive.

ARTICLE XIII

General Provisions

13.1 Assignment. No interest of any Participant, spouse or Beneficiary under this Plan and no benefit payable hereunder shall be assigned as security for a loan, and any such purported assignment shall be null, void and of no effect, nor shall any such interest or any such benefit be subject in any manner, either voluntarily or involuntarily, to anticipation, sale, transfer, assignment or encumbrance by or through any Participant, spouse or Beneficiary. Notwithstanding anything to the contrary herein, however, the Plan Administrator has the discretion to make payments to an alternate payee in accordance with the terms of a domestic relations order (as defined in Code Section 414(p)(1)(B)).

The Company may assign any or all of its liabilities under this Plan in connection with any restructuring, recapitalization, sale of assets or other similar transactions affecting a Participating Employer without the consent of the Participant.

13.2 No Legal or Equitable Rights or Interest. No Participant or other person shall have any legal or equitable rights or interest in this Plan that are not expressly granted in this Plan. Participation in this Plan does not give any person any right to be retained in the service of the Participating Employer. The right and power of a Participating Employer to dismiss or discharge an Employee is expressly reserved. The Participating Employers make no representations or warranties as to the tax consequences to a Participant or a Participant's beneficiaries resulting from a deferral of income pursuant to the Plan.

13.3 No Right of Participation, Employment or Service. Unless otherwise set forth in an employment agreement, no person shall have any right to participate in this Plan. This Plan shall not confer upon any person any right to continued employment by or service with a Participating Employer or an Affiliate or affect in any manner the right of a Participating Employer or an Affiliate to terminate the employment of any person at any time without liability.

13.4 Notice. Any notice or filing required or permitted to be delivered to the Plan Administrator under this Plan shall be delivered in writing, in person, or through such electronic means as is established by the Plan Administrator. Notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Written transmission shall be sent by certified mail to:

FORTUNE BRANDS HOME & SECURITY, INC.
ATTN: VICE PRESIDENT, TOTAL REWARDS
520 LAKE COOK ROAD
SUITE 300
DEERFIELD, IL 60015

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing or hand-delivered, or sent by mail to the last known address of the Participant.

13.5 Headings. The headings of Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

13.6 Invalid or Unenforceable Provisions. If any provision of this Plan shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof and each of the Plan Administrator and/or Committee, as may be applicable, may elect in its sole discretion to construe such invalid or unenforceable provisions in a manner that conforms to applicable law or as if such provisions, to the extent invalid or unenforceable, had not been included.

13.7 Lost Participants or Beneficiaries. Any Participant or Beneficiary who is entitled to a benefit from the Plan has the duty to keep the Plan Administrator advised of his or her current mailing address. If benefit payments are returned to the Plan or are not presented for payment after a reasonable amount of time, the Plan Administrator shall presume that the payee is missing. The Plan Administrator, after making such efforts as in its discretion it deems reasonable and appropriate to locate the payee, shall stop payment on any uncashed checks and may discontinue making future payments until contact with the payee is restored.

13.8 Facility of Payment to a Minor. If a distribution is to be made to a minor, or to a person who is otherwise incompetent, then the Plan Administrator may, in its discretion, make such distribution: (i) to the legal guardian, or if none, to a parent of a minor payee with whom the payee maintains his or her residence, or (ii) to the conservator or committee or, if none, to the person having custody of an incompetent payee. Any such distribution shall fully discharge the Plan Administrator, the Committee, the Company, and the Plan from further liability on account thereof.

13.9 Governing Law. This Plan and all determinations made and actions taken under the Plan, to the extent not otherwise governed by ERISA, the Code or the laws of the United States, shall be governed by, and construed in accordance with, the laws of the State of Delaware without giving effect to principles of conflicts of laws.

13.10 Forfeiture and Recoupment.

(a) *Generally*. A Participant’s rights, payments, and benefits under this Plan shall be subject to reduction, cancellation, forfeiture, clawback, or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions, without limit as to time. Such events shall include, but shall not be limited to, termination of service under certain or all circumstances, violation of material policies of a Participating Employer, misstatement of financial or other material information about a Participating Employer, fraud, misconduct, breach of noncompetition, confidentiality, non-solicitation, noninterference, corporate property protection, or other agreement that may apply to the Participant, or other conduct by the Participant that the Committee determines is detrimental to the business or reputation of a Participating Employer (and/or any parent, subsidiary, or Affiliate of the Participating Employer) including facts and circumstances discovered after termination of employment.

(b) *Manner of Recoupment*. The Committee shall determine, as late as the time of the recoupment whether the Participating Employer shall effect any such recoupment:

(i) by seeking repayment from the Participant; (ii) by reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement) the amount that would otherwise be payable to the Participant under any compensatory plan, program or arrangement maintained by a Participating Employer (and/or any parent, subsidiary, or Affiliate of the Participating Employer); (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory benefits that would otherwise have been made to the Participant in accordance with the Participating Employer's otherwise applicable compensation practices; (iv) by a holdback or escrow (before or after taxation) of part or all of the shares of common stock, payment or property received upon exercise or satisfaction of the benefit; or (v) by any combination of the foregoing. Notwithstanding the foregoing provisions, the Committee's rights under this Section 13.10 shall be in addition to, and not in place of, any such rights that the Company and/or the Committee may have under any other applicable recoupment policy or procedure, including but not limited, under any clawback policy or under any separate written agreement in effect between the Participant and a Participating Employer.

13.11 No Guarantee of Benefits. Nothing contained in the Plan shall constitute a guarantee by the Company or any other person or entity that the assets of any Participating Employer will be sufficient to pay any benefits hereunder.

IN WITNESS WHEREOF, the undersigned executed this Plan as of the 19th day of October, 2015, to be effective as of the Effective Date.

Fortune Brands Home & Security, Inc.

By: Vasu Mirmira (Print Name)
Its: Vice President Total Rewards (Title)
/s/ Vasu Mirmira (Signature)

Exhibit 31.1

CERTIFICATION

I, Christopher J. Klein, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2015 of Fortune Brands Home & Security, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2015

/s/ Christopher J. Klein

Christopher J. Klein
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, E. Lee Wyatt, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2015 of Fortune Brands Home & Security, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2015

/s/ E. Lee Wyatt, Jr.

E. Lee Wyatt, Jr.
Senior Vice President and
Chief Financial Officer

Exhibit 32

JOINT CEO/CFO CERTIFICATE REQUIRED PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned, the Chief Executive Officer and the Senior Vice President and Chief Financial Officer of Fortune Brands Home & Security, Inc. (the “Company”), hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and the results of operations of the Company.

Dated: October 30, 2015

/s/ Christopher J. Klein
Christopher J. Klein
Chief Executive Officer

/s/ E. Lee Wyatt, Jr.
E. Lee Wyatt, Jr.
Senior Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Fortune Brands Home & Security, Inc. and will be retained by Fortune Brands Home & Security, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.