



## AUDIT COMMITTEE CHARTER

### **Purpose**

The Audit Committee (the "Committee") assists the Board of Directors ("Board") in the oversight of (a) La-Z-Boy Incorporated's (the "Company") accounting and financial reporting processes, including the integrity of the Company's financial statements, (b) the Company's compliance with legal and regulatory requirements, (c) the qualifications and independence of the Company's independent registered public accounting firm, and (d) the performance of the Company's independent registered public accounting firm and internal audit function. The Committee prepares the Audit Committee Report included in the Company's annual proxy statement pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC").

### **Governance**

1. *Membership:* The Committee shall be composed of not fewer than three directors, appointed by the Board, each of whom shall serve until such member's successor is duly elected and qualified or until such member resigns or is removed.

Each member of the Committee shall meet the independence, financial literacy and expertise requirements required for all audit committee members by the New York Stock Exchange Listing Standards and applicable law. At least one member of the Committee must have accounting or related financial management expertise, as determined by the Board. At least one member of the Committee must be an "audit committee financial expert" as defined by the SEC, and at least one member (who may also serve as the audit committee financial expert) shall, in the judgment of the Board, have accounting or related financial management expertise in accordance with the New York Stock Exchange Listing Standards.

Based on the recommendations of the Nominating and Governance Committee, the Board shall review the composition of the Committee annually and fill vacancies. The full Board shall elect the Chairman of the Committee, who shall chair the Committee's meetings.

Members of the Committee may be removed, with or without cause, by a majority vote of the Board.

2. *Meetings:* The Committee shall meet at least four times annually, or more frequently as the Committee Chairman determines, and shall meet periodically in executive session without management present. In addition to the Committee members, the Chairman of the Board and the Lead Director may attend the meetings, but only Committee members may vote. The Committee may invite to meetings other members of the Board, members of management, outside professionals, and others it deems necessary or appropriate to fulfill its duties. The Chairman of the Board, the Lead Director, or the Chairman of the Committee may call meetings of the Committee. The members and other participants may attend any meeting by means of conference telephone or similar equipment that enables all meeting participants to communicate with one another. The Chairman of the Committee, in consultation with the Committee members,

the Chairman of the Board, and the Lead Director, will develop the agendas for the Committee's meetings.

3. *Quorum:* A simple majority of Committee members, in attendance personally or telephonically, constitutes a quorum for the conduct of business. The vote of a majority of the members present at any meeting at which there is a quorum is sufficient to take official action on behalf of the Committee, except as hereinafter provided. No proxy voting shall be permitted.

Whenever a Committee member has a personal interest in a pending decision, that member shall disclose to the other members the material facts involved and the member's personal interest.

4. *Action by Consent:* Official Committee action may also be taken by unanimous written consent of all the Committee members.
5. *Reporting to Board:* The Committee Chairman will regularly report to the full Board regarding the Committee's activities.
6. *Authority and Funding:* The Committee shall have the authority to retain outside counsel and other experts, including the authority to approve the retention terms and payment for such experts. The Company will provide the necessary funding for the Committee's activities. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all Company books, records, facilities and personnel.

The Company will provide appropriate funding for the Committee, as determined by the Committee, in its capacity as a committee of the Board, for payment of:

- A. Compensation to any independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company;
  - B. Compensation to any advisers employed by the Committee under the first paragraph of this section; and
  - C. Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
7. *Self-evaluation:* The Committee will evaluate its performance annually and report its conclusions and recommendations to the Board.
  8. *Amendment of Charter:* This Charter may be amended or modified at any time by majority vote of the Board. The Committee shall review this charter periodically and recommend changes to the Board for adoption.

## **Responsibilities**

1. *General Responsibilities:* The Committee, in its capacity as a committee of the Board, is directly responsible for the appointment, compensation, retention, and oversight of the work of the Company's independent registered public accounting firm (including resolution of any disagreements between management and the independent registered public accounting firm

regarding financial reporting). The independent registered public accounting firm shall report directly to the Committee. With respect to all other matters, the role of the Committee is one of oversight and as such the Committee relies on the expertise and knowledge of management, internal auditors, the independent registered public accounting firm and other experts. Management of the Company is responsible for determining that the Company's financial statements are fairly presented in accordance with generally accepted accounting principles. The independent registered public accounting firm is responsible for auditing and reporting on the Company's financial statements. It is not the responsibility of the Committee to plan or conduct audits, to determine the fairness or accuracy of financial statements, to provide assurance of compliance with laws and regulations, or to provide assurance with respect to the adequacy of internal policies, practices, procedures or controls.

2. *Specific Duties:* The Committee's specific duties are set forth in the following table:

Duty	Minimum Frequency
With Respect to the Independent Registered Public Accounting Firm:	
<ul style="list-style-type: none"> <li>• Select and retain the independent registered public accounting firm.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>• Pre-approve audit fees charged by the independent registered public accounting firm.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>• Evaluate the performance, qualifications and independence of the independent registered public accounting firm, including:               <ol style="list-style-type: none"> <li>1) evaluating the firm's engagement quality review process, including                   <ol style="list-style-type: none"> <li>a) how the firm selects, evaluates and incentivizes its engagement quality reviewer,</li> <li>b) the qualifications of the engagement quality reviewer,</li> <li>c) the effectiveness of the engagement quality reviewer in detecting audit deficiencies,</li> </ol> </li> <li>2) obtaining and reviewing the public version of the independent registered public accounting firm's most recent inspection report issued by the Public Company Accounting Oversight Board ("PCAOB"), and</li> <li>3) obtaining and reviewing a report by the independent registered public accounting firm describing:                   <ol style="list-style-type: none"> <li>a) the firm's internal quality-control procedures,</li> <li>b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, by its most recent inspection report issued by the PCAOB, or by any other inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues, and</li> <li>c) (to assess the auditor's independence) all relationships between the independent registered public accounting firm and the Company.</li> </ol> </li> </ol> </li> </ul>	

Duty	Minimum Frequency
<ul style="list-style-type: none"> <li>Assure regular rotation of lead audit partner as required by law and consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm itself.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Pre-approve, or approve, as appropriate, audit, audit-related and permitted non-audit services (including the fees and terms thereof) proposed to be performed by the independent registered public accounting firm.</li> </ul>	As Needed
<ul style="list-style-type: none"> <li>Review the annual audit plan of the independent registered public accounting firm.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Meet in separate executive session with the independent registered public accounting firm to provide a forum for private comments including discussion of any restrictions on audit scope or access to required information or resources.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>Establish hiring policies with respect to employees or former employees of the independent registered public accounting firm.</li> </ul>	Annually
With Respect to Accounting and Financial Control Matters:	
<ul style="list-style-type: none"> <li>Review with management and the independent registered public accounting firm any significant accounting developments including emerging issues.</li> </ul>	As Needed
<ul style="list-style-type: none"> <li>Review with management and the independent registered public accounting firm the company's critical accounting policies.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review with management, the independent registered public accounting firm and the internal auditor:               <ol style="list-style-type: none"> <li>the adequacy and effectiveness of the Company's internal controls, and</li> <li>significant findings and recommendations of the auditors and management's responses thereto.</li> </ol> </li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>Review and discuss with the Company's counsel significant legal and environmental matters.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>Review with management and the independent registered public accounting firm:               <ol style="list-style-type: none"> <li>the Company's audited financial statements and financial disclosure included in the Company's Form 10-K, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&amp;A"),</li> <li>the independent registered public accounting firm's audit of the financial statements and its report thereon,</li> <li>the independent registered public accounting firm's report on the Company's internal controls for financial reporting,</li> <li>any significant changes required in the audit plan,</li> </ol> </li> </ul>	Annually

Duty	Minimum Frequency
<ul style="list-style-type: none"> <li>5) any significant adjustments, management judgements and accounting estimates, and any audit problems or difficulties and management's response, thereto and any disputes with management encountered during the audit, and resolve any such disputes,</li> <li>6) the independent registered public accounting firm's engagement quality review for the audit, including: <ul style="list-style-type: none"> <li>a) how the engagement quality reviewer performed his or her review, including the timing and extent of the review</li> <li>b) the total hours devoted to the engagement quality review,</li> <li>c) the most significant matters that needed additional audit procedures or follow up; and</li> </ul> </li> <li>7) other matters related to the audit which are to be communicated to the Committee under the auditing standards of the PCAOB.</li> </ul>	
<ul style="list-style-type: none"> <li>• Review with management and the independent registered public accounting firm: <ul style="list-style-type: none"> <li>1) the Company's interim financial results and disclosure, including the Company's disclosures under MD&amp;A prior to the filing with the SEC of the related Form 10-Q,</li> <li>2) changes to internal control systems for financial reporting, and</li> <li>3) any items required to be communicated by the independent registered public accounting firm under the auditing standards of the PCAOB.</li> </ul> </li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>• With respect to each periodic filing with the SEC review: <ul style="list-style-type: none"> <li>1) management's disclosure to the Committee under Section 302 of the Sarbanes-Oxley Act, and</li> <li>2) the contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of that Act.</li> </ul> </li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>• Review with management and the independent registered public accounting firm policies and practices with respect to the preparation and dissemination of earnings press releases, as well as financial information and earnings guidance.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>• Discuss the Company's earnings press releases, as well as financial information and earnings guidance.</li> </ul>	As Needed
<ul style="list-style-type: none"> <li>• Review with management the Company's compliance with applicable laws and regulations and the results of examinations conducted by regulatory agencies.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>• Meet in executive session with management to provide a forum for their private comments.</li> </ul>	Quarterly

<b>Duty</b>	<b>Minimum Frequency</b>
<ul style="list-style-type: none"> <li>Review procedures, and monitor responses thereto, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters, or general ethical conduct, and the confidential anonymous submissions by employees of concerns regarding questionable accounting controls, auditing matters, or ethical behavior.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>Discuss with management general policies for the assessment and management of risk, particularly major financial risks (including such risks related to the financial statements, the auditing and financial reporting process, and credit and liquidity) and the steps management has taken to monitor and control such risks, as well as operational risks related to information technology and systems.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review with management the results of monitoring the Company's code of conduct.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review, with authority to approve or ratify, all proposed transactions with related parties that, if consummated, would be required to be disclosed in the company's annual proxy statement.</li> </ul>	As Needed
With Respect to the Internal Audit Function:	
<ul style="list-style-type: none"> <li>Review the performance of the head of the Internal Audit department.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review the appointment, compensation and replacement of the head of the Internal Audit department.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review the Internal Audit department's annual audit plan, including any subsequent significant modifications to that plan.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review the Internal Audit department budget and adequacy of staffing.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review and discuss with the head of the Internal Audit department the results of audits conducted and management responses thereto.</li> </ul>	Quarterly
<ul style="list-style-type: none"> <li>Meet in executive session with the head of the Internal Audit department to provide a forum for private comments including discussion of any restrictions on audit scope or access to required information or resources.</li> </ul>	Quarterly
With Respect to the Committee:	
<ul style="list-style-type: none"> <li>Meet at least 4 times per year and more frequently if circumstances require.</li> </ul>	Quarterly and as needed
<ul style="list-style-type: none"> <li>Evaluate the performance of the Committee.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>Review this charter and recommend any proposed changes to the Board.</li> </ul>	Annually

<b>Duty</b>	<b>Minimum Frequency</b>
With Respect to Communications:	
<ul style="list-style-type: none"> <li>• Report to the Board on significant matters covered at each Committee meeting.</li> </ul>	As Needed
<ul style="list-style-type: none"> <li>• Recommend to the Board that the audited financial statements be included in the Company's Form 10-K.</li> </ul>	Annually
<ul style="list-style-type: none"> <li>• Prepare the Committee report required to be included in the Company's annual proxy statement.</li> </ul>	Annually