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**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 June 30, 2021**

**OR**

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

**Commission File Number 001-37589**

**ARMSTRONG FLOORING, INC.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**47-4303305**  
(I.R.S. employer Identification number)

**1770 Hempstead Road**  
**Lancaster Pennsylvania**  
(Address of principal executive offices)

**17605**  
(Zip Code)

**(717) 672-9611**  
(Registrant's telephone number, including area code)

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.0001 par value	AFI	New York Stock Exchange

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that registrant was required to submit such files.) Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The Registrant had 21,685,862 shares of common stock, \$0.0001 par value, outstanding at July 16, 2021.

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**Armstrong Flooring, Inc.**

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## Glossary of Defined Terms

Unless the context requires otherwise, "AFI," the "Company," "we," "our," or "us" refers to Armstrong Flooring Inc., a Delaware corporation and its consolidated subsidiaries. The Company also uses several other terms in this Quarterly Report on Form 10-Q, which are further defined below:

<b>Term</b>	<b>Description</b>
<b>Amended ABL Credit Facility</b>	Third Amendment to the ABL credit facility
<b>AOCI</b>	Accumulated other comprehensive income (loss)
<b>ASC</b>	Accounting Standards Codification
<b>ASU</b>	Accounting Standards Update
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>COVID-19</b>	COVID-19 coronavirus
<b>LIBOR</b>	London interbank offered rate
<b>ROU</b>	Right-of-use asset
<b>SEC</b>	Securities and Exchange Commission
<b>South Gate Facility</b>	Facility formerly owned by the Company, located in South Gate, California sold March 10, 2021.
<b>Term Loan Agreement</b>	Pathlight Capital L.P. term loan agreement
<b>Term Loan Facility</b>	Pathlight Capital L.P. term loan facility
<b>U.S. GAAP</b>	Generally accepted accounting principles in the United States of America

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**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

Certain statements in this Quarterly Report on Form 10-Q and the documents incorporated by reference may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those forward-looking statements are subject to various risks and uncertainties and include all statements that are not historical statements of fact and those regarding our intent, belief or expectations, including, but not limited to, our expectations concerning our commercial and residential markets and their effect on our operating results, and our ability to increase revenues, income and earnings before interest, taxes, depreciation and amortization. Words such as “anticipate,” “expect,” “intend,” “plan,” “target,” “project,” “predict,” “believe,” “may,” “will,” “would,” “could,” “should,” “seek,” “estimate” and similar expressions are intended to identify such forward-looking statements. These statements are based on management’s current expectations and beliefs and are subject to a number of factors that could lead to actual results materially different from those described in the forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained. Factors that could have a material adverse effect on our financial condition, liquidity, results of operations or future prospects or which could cause actual results to differ materially from our expectations include, but are not limited to:

- execution of strategy;
- competition;
- availability and costs of raw materials and energy;
- key customers;
- construction activity;
- liquidity;
- debt covenants;
- debt;
- pandemics, epidemics or other public health emergencies such as the outbreak of COVID-19;
- global economic conditions;
- international operations;
- environmental and regulatory matters;
- information systems and transition services;
- personnel;
- intellectual property rights;
- claims and litigation;
- labor;
- outsourcing; and
- other risks detailed from time to time in our filings with the SEC, press releases and other communications, including those set forth under “Risk Factors” included in our Annual Report on Form 10-K and in the documents incorporated by reference.

Such forward-looking statements speak only as of the date they are made. We expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

## PART I: FINANCIAL INFORMATION

## Item 1. Financial Statements

**Armstrong Flooring, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets (Unaudited)**  
*(Dollars in millions)*

Assets	June 30, 2021	December 31, 2020
<b>Current assets:</b>		
Cash and cash equivalents	\$ 14.6	\$ 13.7
Accounts and notes receivable, net	58.9	43.0
Inventories, net	123.9	122.9
Prepaid expenses and other current assets	15.0	12.9
Assets held-for-sale	—	17.8
<b>Total current assets</b>	<b>212.4</b>	<b>210.3</b>
Property, plant, and equipment, net	237.5	246.9
Operating lease assets	19.9	8.5
Intangible assets, net	15.7	19.0
Deferred income tax assets	4.5	4.4
Other noncurrent assets	9.4	4.4
<b>Total assets</b>	<b>\$ 499.4</b>	<b>\$ 493.5</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Short-term debt	\$ 5.8	\$ 5.5
Current installments of long-term debt	3.9	2.9
Trade accounts payable	83.2	78.5
Accrued payroll and employee costs	16.5	14.8
Current operating lease liabilities	2.3	2.7
Other accrued expenses	19.2	17.7
<b>Total current liabilities</b>	<b>130.9</b>	<b>122.1</b>
Long-term debt, net of unamortized debt issuance costs	49.6	71.4
Noncurrent operating lease liabilities	17.7	5.8
Postretirement benefit liabilities	54.6	55.6
Pension benefit liabilities	4.6	4.6
Deferred income tax liabilities	1.5	2.4
Other long-term liabilities	7.9	9.0
<b>Total liabilities</b>	<b>\$ 266.8</b>	<b>\$ 270.9</b>
Commitments and contingencies		
<b>Stockholders' equity:</b>		
Common stock	—	—
Preferred stock	—	—
Treasury stock, at cost	(86.2)	(87.1)
Additional paid-in capital	677.8	677.4
Accumulated deficit	(300.7)	(308.4)
Accumulated other comprehensive income (loss)	(58.3)	(59.3)
<b>Total stockholders' equity</b>	<b>232.6</b>	<b>222.6</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 499.4</b>	<b>\$ 493.5</b>

*See accompanying notes to Condensed Consolidated Financial Statements (Unaudited).*

**Armstrong Flooring, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations (Unaudited)**  
*(Dollars in millions, except per share data)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net sales	\$ 168.1	\$ 145.6	\$ 317.0	\$ 284.3
Cost of goods sold	146.9	120.9	275.9	236.3
<b>Gross profit</b>	<b>21.2</b>	<b>24.7</b>	<b>41.1</b>	<b>48.0</b>
Selling, general and administrative expenses	39.5	30.3	77.6	66.9
Gain on sale of property	—	—	(46.0)	—
<b>Operating income (loss)</b>	<b>(18.3)</b>	<b>(5.6)</b>	<b>9.5</b>	<b>(18.9)</b>
Interest expense	2.8	1.2	6.3	1.8
Other expense (income), net	(2.3)	(0.5)	(4.4)	(0.9)
<b>Income (loss) before income taxes</b>	<b>(18.8)</b>	<b>(6.3)</b>	<b>7.6</b>	<b>(19.8)</b>
Income tax expense (benefit)	0.7	—	(0.1)	(0.3)
<b>Net income (loss)</b>	<b>\$ (19.5)</b>	<b>\$ (6.3)</b>	<b>\$ 7.7</b>	<b>\$ (19.5)</b>
<b>Basic earnings (loss) per share of common stock:</b>				
Basic earnings (loss) per share of common stock	\$ (0.89)	\$ (0.29)	\$ 0.35	\$ (0.89)
<b>Diluted earnings (loss) earnings per share of common stock:</b>				
Diluted earnings (loss) per share of common stock	\$ (0.89)	\$ (0.29)	\$ 0.35	\$ (0.89)

*See accompanying notes to Condensed Consolidated Financial Statements (Unaudited).*

**Armstrong Flooring, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**  
*(Dollars in millions)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Net income (loss)</b>	\$ (19.5)	\$ (6.3)	\$ 7.7	\$ (19.5)
<b>Changes in other comprehensive income (loss), net of tax:</b>				
Foreign currency translation adjustments	1.1	1.6	0.3	(0.9)
Derivative adjustments	0.2	(0.9)	0.3	0.4
Pension and postretirement adjustments	0.3	0.9	0.4	2.2
<b>Total other comprehensive income (loss)</b>	1.6	1.6	1.0	1.7
<b>Total comprehensive income (loss)</b>	\$ (17.9)	\$ (4.7)	\$ 8.7	\$ (17.8)

*See accompanying notes to Condensed Consolidated Financial Statements (Unaudited).*

**Armstrong Flooring, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**  
*(Dollars in millions)*

	Six Months Ended June 30,	
	2021	2020
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 7.7	\$ (19.5)
<b>Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:</b>		
Depreciation and amortization	23.0	20.9
Inventory write down	1.2	—
Deferred income taxes	(0.7)	(0.6)
Stock-based compensation expense	1.4	1.3
Gain on sale of property	(46.0)	—
Gain from long-term disability plan change	—	(1.1)
U.S. pension expense (income)	(3.5)	1.9
Other non-cash adjustments, net	0.3	0.5
<b>Changes in operating assets and liabilities:</b>		
Receivables	(17.4)	(9.2)
Inventories	(2.2)	(11.0)
Accounts payable and accrued expenses	9.5	15.4
Other assets and liabilities	(5.0)	(5.5)
<b>Net cash provided by (used for) operating activities</b>	<b>(31.7)</b>	<b>(6.9)</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(11.1)	(10.9)
Proceeds from sale of assets	65.4	—
<b>Net cash provided by (used for) investing activities</b>	<b>54.3</b>	<b>(10.9)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from revolving credit facility	49.3	41.2
Payments on revolving credit facility	(50.1)	(79.2)
Issuance of long-term debt	0.2	70.0
Financing costs	—	(6.9)
Payments on long-term debt	(21.1)	(0.1)
Value of shares withheld related to employee tax withholding	(0.1)	—
<b>Net cash provided by (used for) financing activities</b>	<b>(21.8)</b>	<b>25.0</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>0.1</b>	<b>(0.2)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>0.9</b>	<b>7.0</b>
Cash and cash equivalents at beginning of year	13.7	27.1
Cash and cash equivalents at end of period	<u>\$ 14.6</u>	<u>\$ 34.1</u>
<b>Supplemental Cash Flow Disclosure:</b>		
<b>Cash paid for:</b>		
Interest paid	\$ 5.3	\$ 1.7
Income taxes paid, net	0.2	0.4
<b>Non-cash transaction:</b>		
Amounts in accounts payable for capital expenditures	3.6	2.0

*See accompanying notes to Condensed Consolidated Financial Statements (Unaudited).*



**Armstrong Flooring, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Stockholders' Equity (Unaudited)**  
*(Dollars in millions)*

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Equity
	Shares	Amount	Shares	Amount				
<b>December 31, 2020</b>	21,638,141	\$ —	6,738,521	\$ (87.1)	\$ 677.4	\$ (59.3)	\$ (308.4)	\$ 222.6
Net income (loss)	—	—	—	—	—	—	27.2	27.2
Stock-based employee compensation, net	47,721	—	(47,721)	0.9	(0.4)	—	—	0.5
Other comprehensive income (loss)	—	—	—	—	—	(0.6)	—	(0.6)
<b>March 31, 2021</b>	21,685,862	—	6,690,800	(86.2)	677.0	(59.9)	(281.2)	249.7
Net income (loss)	—	—	—	—	—	—	(19.5)	(19.5)
Stock-based employee compensation, net	—	—	—	—	0.8	—	—	0.8
Other comprehensive income (loss)	—	—	—	—	—	1.6	—	1.6
<b>June 30, 2021</b>	<b>21,685,862</b>	<b>\$ —</b>	<b>6,690,800</b>	<b>\$ (86.2)</b>	<b>\$ 677.8</b>	<b>\$ (58.3)</b>	<b>\$ (300.7)</b>	<b>\$ 232.6</b>

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Equity
	Shares	Amount	Shares	Amount				
<b>December 31, 2019</b>	21,519,761	\$ —	6,837,897	\$ (88.9)	\$ 676.7	\$ (74.7)	\$ (244.8)	\$ 268.3
Net income (loss)	—	—	—	—	—	—	(13.2)	(13.2)
Stock-based employee compensation, net	36,072	—	(36,072)	0.7	—	—	—	0.7
Other comprehensive income (loss)	—	—	—	—	—	0.1	—	0.1
<b>March 31, 2020</b>	21,555,833	—	6,801,825	(88.2)	676.7	(74.6)	(258.0)	255.9
Net income (loss)	—	—	—	—	—	—	(6.3)	(6.3)
Stock-based employee compensation, net	37,689	—	(18,685)	0.3	0.3	—	—	0.6
Other comprehensive income (loss)	—	—	—	—	—	1.6	—	1.6
<b>June 30, 2020</b>	<b>21,593,522</b>	<b>\$ —</b>	<b>6,783,140</b>	<b>\$ (87.9)</b>	<b>\$ 677.0</b>	<b>\$ (73.0)</b>	<b>\$ (264.3)</b>	<b>\$ 251.8</b>

*See accompanying notes to Condensed Consolidated Financial Statements (Unaudited).*

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

**NOTE 1. BUSINESS AND BASIS OF PRESENTATION**

**Background**

Armstrong Flooring, Inc. is a leading global producer of resilient flooring products for use primarily in the construction and renovation of residential, commercial, and institutional buildings. AFI designs, manufactures, sources and sells resilient flooring products in North America and the Pacific Rim.

**Basis of Presentation**

These Condensed Consolidated Financial Statements are prepared in accordance with U.S. GAAP. The condensed consolidated financial statements include management estimates and judgments, where appropriate. Management uses estimates to record many items including allowances for expected credit losses, inventory obsolescence, lower of cost or market or net realizable value charges, warranty reserves, sales-related accruals, pension and post-retirement liabilities, workers compensation, general liability and environmental claims and income taxes. When preparing an estimate, management determines the amount based upon the consideration of relevant information. Management may confer with outside parties, including outside counsel. Actual results may differ from these estimates. In the opinion of management, all adjustments of a normal recurring nature have been included to provide a fair statement of the results for the reporting periods presented. Operating results for the three and six months ended June 30, 2021 and 2020 included in this Quarterly Report on Form 10-Q are unaudited. Quarterly results are not necessarily indicative of annual results, primarily due to the seasonality of the business and the possibility of changes in economic conditions between periods.

The accounting policies used in preparing the condensed consolidated financial statements in this Quarterly Report on Form 10-Q are the same as those used in preparing the Consolidated Financial Statements for the year ended December 31, 2020. These statements should therefore be read in conjunction with the Consolidated Financial Statements and notes that are included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

All significant intercompany transactions within AFI have been eliminated from the condensed consolidated financial statements.

**Reclassifications**

Certain reclassifications have been made to prior year amounts to conform with current year classifications.

**Recently Adopted and Recently Issued Accounting Standards**

On January 1, 2021 we adopted ASU 2019-12, "*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes.*" This new standard eliminates certain exceptions in ASC 740 related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, guidance on accounting for franchise taxes and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. The adoption of the standard did not have a material impact on our financial condition, results of operations or cash flows.

There are no additional accounting standards that have been issued and become effective for the Company at a future date which are expected to have a material impact on our financial condition, results of operations or cash flows.

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

**NOTE 2. ACCOUNTS AND NOTES RECEIVABLE**

The following table presents accounts and note receivables, net:

	June 30, 2021	December 31, 2020
Customer trade accounts receivables	\$ 70.9	\$ 52.4
Miscellaneous receivables (a)	8.6	9.0
Less: allowance for product claims, discounts, returns and losses	(20.6)	(18.4)
<b>Total accounts and notes receivable, net</b>	<b>\$ 58.9</b>	<b>\$ 43.0</b>

(a) Miscellaneous receivables primarily relate to insurance receivables, the current portion of a distributor note receivable and tax claim receivables not included in Customer trade account receivable.

Allowance for product claims, which is a portion of the allowance for product claims, discounts, returns and losses, represents expected reimbursements for cost associated with warranty repairs and customer accommodation claims, the majority of which is provided to our independent distributors through credits against customer trade accounts receivable from the independent distributor to AFI.

The following table summarizes the activity for the allowance for product claims:

	Six Months Ended June 30,	
	2021	2020
Balance as of January 1	\$ (10.3)	\$ (9.0)
Reductions for payments	4.5	3.3
Current year claim accruals	(4.6)	(3.8)
<b>Balance as of June 30</b>	<b>\$ (10.4)</b>	<b>\$ (9.5)</b>

**NOTE 3. INVENTORIES**

The following table presents details related to our inventories, net:

	June 30, 2021	December 31, 2020
Finished goods	\$ 87.4	\$ 94.0
Goods in process	6.0	5.7
Raw materials and supplies	30.5	23.2
<b>Total inventories, net</b>	<b>\$ 123.9</b>	<b>\$ 122.9</b>

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

**NOTE 4. PROPERTY, PLANT AND EQUIPMENT**

The following table presents details related to our property, plant and equipment, net:

	June 30, 2021	December 31, 2020
Land	\$ 10.6	\$ 10.6
Buildings	83.1	81.8
Machinery and equipment	442.7	458.9
Computer software	17.0	15.9
Construction in progress	11.6	16.4
Less: accumulated depreciation and amortization	(327.5)	(336.7)
<b>Total property, plant and equipment, net</b>	<b>\$ 237.5</b>	<b>\$ 246.9</b>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Depreciation expense	\$ 11.4	\$ 8.6	\$ 19.5	\$ 17.4

On March 10, 2021 the Company sold its South Gate Facility, previously classified as assets held-for-sale, for a purchase price of \$76.7 million. The Company received proceeds of \$65.3 million, net of fees, expenses and certain amounts held in an environmental-related escrow account. The Company realized a gain of \$46.0 million during the three months ended March 31, 2021 on the sale. At December 31, 2020, the Company had classified as Assets held-for-sale, \$17.8 million of primarily land and buildings related to the South Gate Facility that met all related criteria under U.S. GAAP.

During the three months ended June 30, 2021, the Company accelerated \$3.3 million of depreciation expense for property, plant and equipment for which no future alternative use was identified as part of the Company's business transformation initiatives.

**NOTE 5. LEASES**

The Company's leases, excluding short-term leases, have remaining terms of less than one year to ten years, some of which include options to extend for up to ten years or more. The exercise of lease renewal options is at our sole discretion. Certain leases also include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The following table summarizes components of lease expense:

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Finance lease cost	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2
Operating lease cost	1.0	1.6	2.2	2.8
Short-term lease cost	0.9	0.5	1.3	0.7
<b>Total lease cost</b>	<b>\$ 2.0</b>	<b>\$ 2.2</b>	<b>\$ 3.7</b>	<b>\$ 3.7</b>

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

The following table summarizes supplemental balance sheet information related to leases:

Lease Category	Balance Sheet Classification	June 30, 2021	December 31, 2020
<b>Assets</b>			
Operating lease assets	Operating lease assets	\$ 19.9	\$ 8.5
Finance lease assets	Property, plant and equipment, net	1.0	1.0
<b>Total lease assets</b>		<b>\$ 20.9</b>	<b>\$ 9.5</b>
<b>Liabilities</b>			
<b>Current</b>			
Operating lease liabilities	Current operating lease liabilities	\$ 2.3	\$ 2.7
Finance lease liabilities	Current installments of long-term debt	0.4	0.3
<b>Noncurrent</b>			
Operating lease liabilities	Noncurrent operating lease liabilities	17.7	5.8
Finance lease liabilities	Long-term debt, net of unamortized debt issuance costs	0.6	0.7
<b>Total lease liabilities</b>		<b>\$ 21.0</b>	<b>\$ 9.5</b>

The following table summarizes supplemental cash flow information related to leases:

	Six Months Ended	
	June 30, 2021	June 30, 2020
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases	\$ 2.2	\$ 2.8
Financing cash flows from finance leases	0.2	0.2
<b>ROU assets obtained in exchange for lease obligations:</b>		
Operating leases	12.3	1.1
Finance leases	0.1	0.3

During the six months ended June 30, 2021, the Company added \$11.6 million of additional ROU assets related to the commencement of the Technical Center and Headquarters leases.

The following table summarizes weighted average remaining lease term and weighted average discount rate:

	June 30, 2021	December 31, 2020
Weighted average remaining lease term - Operating leases (in years)	7.6	4.1
Weighted average remaining lease term - Finance leases (in years)	2.6	3.0
Weighted average discount rate - Operating leases (%)	11.4 %	9.5 %
Weighted average discount rate - Finances leases (%)	7.9 %	7.1 %

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

Maturities of lease liabilities at June 30, 2021 were as follows:

	Operating Leases	Finance Leases
2021 (excluding the six months ended June 30, 2021)	\$ 2.1	\$ 0.2
2022	4.5	0.4
2023	4.2	0.3
2024	3.9	0.1
2025	3.3	0.1
Thereafter	13.5	—
<b>Total lease payments</b>	<b>\$ 31.5</b>	<b>\$ 1.1</b>
Less: Unamortized interest	11.5	0.1
<b>Total</b>	<b>\$ 20.0</b>	<b>\$ 1.0</b>

**NOTE 6. INTANGIBLE ASSETS**

Intangible assets, net consist of the following:

	Estimated Useful Life	June 30, 2021		December 31, 2020	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<b>Finite-lived intangible assets:</b>					
Contractual arrangements	5 years	\$ 33.4	\$ 26.8	\$ 33.4	\$ 23.6
Land use rights	50 years	3.2	0.6	3.2	0.5
Intellectual property	2-15 years	5.7	2.2	5.6	2.0
Subtotal		42.3	29.6	42.2	26.1
<b>Indefinite-lived intangible assets:</b>					
Trademarks and brand names	Indefinite	3.0		2.9	
<b>Total intangible assets, net</b>		<b>\$ 45.3</b>	<b>\$ 29.6</b>	<b>\$ 45.1</b>	<b>\$ 26.1</b>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Amortization expense	\$ 1.7	\$ 1.7	\$ 3.5	\$ 3.5

	2021 (a)	2022	2023	2024	2025	Thereafter
Estimated amortization expense	\$ 3.5	\$ 3.7	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4

(a) Amortization remaining in current year .

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

**NOTE 7. DEBT**

	June 30, 2021	December 31, 2020
Credit lines (international)	\$ 4.6	\$ 4.5
Insurance premiums financing	1.2	1.0
<b>Short-term debt</b>	<b>5.8</b>	<b>5.5</b>
Current installment of Term Loan Facility	3.5	2.6
Current installment of finance leases	0.4	0.3
<b>Current installments of long-term debt</b>	<b>3.9</b>	<b>2.9</b>
Noncurrent portion of Term Loan Facility	45.6	67.4
Amended ABL Credit Facility	9.0	10.0
Other financing payable (including finance leases)	0.9	0.7
Total principal balance outstanding, long-term debt	55.5	78.1
Less: Deferred financing costs	(5.9)	(6.7)
<b>Long-term debt, net of unamortized debt issuance costs:</b>	<b>49.6</b>	<b>71.4</b>
<b>Total</b>	<b>\$ 59.3</b>	<b>\$ 79.8</b>

Upon the sale of our South Gate Facility, we made a mandatory payment of \$20.0 million to Pathlight Capital L.P. towards the principal balance on our Term Loan Facility as required by the Term Loan Agreement. As part of the mandatory payment, we paid an additional \$0.4 million in prepayment premium fees. Additional proceeds from the South Gate Facility sale were applied to outstanding borrowings under our Amended ABL Credit Facility. Upon completion of the sale, the temporary \$30.0 million restriction on available liquidity under the Amended ABL Credit Facility was removed.

During March 2021, we entered a new line of credit in China. The new credit limit is \$9.3 million with a one-year maturity date and a variable interest rate of 3.85% to 4.35%. The loan is secured by the land and building of our Chinese facility.

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

**NOTE 8. PENSION AND OTHER POSTRETIREMENT BENEFIT PROGRAMS**

The following table summarizes our pension and postretirement expense (benefit):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Defined-benefit pension, U.S.</b>				
Service cost	\$ 0.3	\$ 0.7	\$ 0.5	\$ 1.3
Interest cost	2.5	3.1	5.1	6.2
Expected return on plan assets	(5.4)	(5.4)	(10.6)	(10.7)
Amortization of net actuarial (gain) loss	0.8	2.5	1.5	5.1
<b>Total, defined-benefit pension, U.S.</b>	<u>\$ (1.8)</u>	<u>\$ 0.9</u>	<u>\$ (3.5)</u>	<u>\$ 1.9</u>
<b>Defined-benefit pension, Canada</b>				
Interest cost	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2
Expected return on plan assets	(0.2)	(0.2)	(0.3)	(0.3)
Amortization of net actuarial (gain) loss	0.1	0.1	0.1	0.2
Settlement/curtailment losses	0.2	—	—	—
<b>Total, defined-benefit pension, Canada</b>	<u>\$ 0.2</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.1</u>
<b>Defined-benefit postretirement, U.S.</b>				
Interest cost	\$ 0.4	\$ 0.5	\$ 0.7	\$ 1.0
Amortization of prior service credits	(0.2)	(0.1)	(0.5)	(0.2)
Amortization of net actuarial (gain) loss	(0.4)	(1.2)	(0.7)	(2.4)
<b>Total, defined-benefit postretirement, U.S.</b>	<u>\$ (0.2)</u>	<u>\$ (0.8)</u>	<u>\$ (0.5)</u>	<u>\$ (1.6)</u>

The caption Other assets on the Company's Condensed Consolidated Balance Sheets include prepaid pension assets of \$6.1 million and \$1.1 million at June 30, 2021 and December 31, 2020, respectively.

We expect to contribute an additional \$1.9 million to our U.S. postretirement benefit plans for the remainder of 2021.



**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

**NOTE 9. FINANCIAL INSTRUMENTS**

The fair value of cash, accounts and notes receivable, trade accounts payable and accrued expenses approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

Fair value of all other financial instruments are as follows:

	Carrying amount	Fair Value at June 30, 2021			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities</b>					
Foreign exchange contracts	\$ 0.6	\$ 0.6	\$ —	\$ —	\$ 0.6
Total Amended ABL Credit Facility	9.0	—	9.0	—	9.0
Total foreign credit facilities	4.6	—	4.6	—	4.6
Term Loan Facility	49.1	—	51.0	—	51.0
<b>Total financial liabilities</b>	<b>\$ 63.3</b>	<b>\$ 0.6</b>	<b>\$ 64.6</b>	<b>\$ —</b>	<b>\$ 65.2</b>

	Carrying amount	Fair Value at December 31, 2020			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities</b>					
Foreign exchange contracts	\$ 1.1	\$ 1.1	\$ —	\$ —	\$ 1.1
Total Amended ABL Credit Facility	10.0	—	10.0	—	10.0
Total foreign credit facilities	4.5	—	4.5	—	4.5
Term Loan Facility	70.0	—	73.8	—	73.8
<b>Total financial liabilities</b>	<b>\$ 85.6</b>	<b>\$ 1.1</b>	<b>\$ 88.3</b>	<b>\$ —</b>	<b>\$ 89.4</b>

The fair values of our net foreign currency contracts were estimated from market quotes, which are considered to be Level 1 inputs.

Borrowings under the Amended ABL Credit Facility, foreign line of credit and the Term Loan Facility are quoted in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the liability (Level 2 inputs).

We do not have any assets or liabilities that are valued using Level 3 unobservable inputs.

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

**NOTE 10. LITIGATION AND RELATED MATTERS**

**Environmental Matters.**

***Environmental Compliance***

Our manufacturing and research facilities are affected by various federal, state and local requirements relating to the discharge of materials and the protection of the environment. We make expenditures necessary for compliance with applicable environmental requirements at each of our operating facilities. These regulatory requirements continually change, therefore we cannot predict with certainty future expenditures associated with compliance with environmental requirements.

***Environmental Sites***

In connection with our current or legacy manufacturing operations, or those of former owners, we may from time to time become involved in the investigation, closure and/or remediation of existing or potential environmental contamination under the Comprehensive Environmental Response, Compensation and Liability Act, and state or international Superfund and similar type environmental laws. For those matters, we may have rights of contribution or reimbursement from other parties or coverage under applicable insurance policies; however, we cannot predict with certainty the future identification of or expenditure for any investigation, closure or remediation of any environmental site.

***Summary of Financial Position***

There were no material liabilities recorded as of June 30, 2021 and December 31, 2020 for potential environmental liabilities that we consider probable and for which a reasonable estimate of the probable liability could be made.

**Other Claims**

We are involved in various lawsuits, claims, investigations and other legal matters from time to time that arise in the ordinary course of conducting business, including matters involving our products, intellectual property, relationships with suppliers, relationships with distributors, relationships with competitors, employees and other matters. For example, we are currently a party to various litigation matters that involve product liability, tort liability and other claims under a wide range of allegations, including illness due to exposure to certain chemicals used in the workplace, or medical conditions arising from exposure to product ingredients or the presence of trace contaminants. In some cases, these allegations involve multiple defendants and relate to legacy products that we and other defendants purportedly manufactured or sold. We believe these claims and allegations to be without merit and intend to defend them vigorously. For these matters, we also may have rights of contribution or reimbursement from other parties or coverage under applicable insurance policies.

On November 15, 2019, a shareholder filed a putative class action complaint in the United States District Court for the Central District of California alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5, promulgated thereunder, based on alleged false and/or misleading statements or omissions made between March 6, 2018 and November 4, 2019. On March 2, 2020, the court issued an order appointing a lead plaintiff and lead counsel. On July 2, 2020, the lead plaintiff filed an amended complaint asserting similar violations and expanding the alleged class period to cover alleged false and/or misleading statements or omissions made between March 6, 2018 and March 3, 2020. On August 17, 2020, the Company moved to dismiss the amended complaint, and the lead plaintiff filed an opposition on October 1, 2020. On November 30, 2020, the Company reached a settlement in principle to fully resolve this matter. The settlement agreement provides in part for a settlement payment of \$3.75 million in exchange for the dismissal and a release of all claims against the defendants. Neither the Company nor any individual defendant admits any wrongdoing through the settlement agreement. The \$3.75 million settlement payment was paid by our insurance provider under our relevant insurance policy. On January 15, 2021, the lead plaintiff filed a motion for preliminary approval of the settlement. On February 23, 2021, the court granted preliminary approval of the settlement, preliminary certification of the settlement class and approval to provide notice to the class. On July 20, 2021 the court entered judgement approving the class action settlement and issued an order dismissing the case in its entirety with prejudice. The Company has recognized a corresponding \$3.75 million insurance receivable and \$3.75 million accrued expense related to this matter in the captions Accounts and notes receivable, net and Accounts payable and accrued expenses on the Consolidated Balance Sheets as of June 30, 2021.

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

While complete assurance cannot be given to the outcome of these proceedings, we do not believe that any of these matters, individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations, or cash flows.

**NOTE 11. REVENUE**

We disaggregate revenue based on customer geography as geography represents the most appropriate depiction of how the nature, timing and uncertainty of revenues and cash flows are impacted by economic factors.

The following table presents our revenues disaggregated by geographic area based upon the location of the customer.

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Net sales</b>				
United States	\$ 125.1	\$ 113.9	\$ 237.2	\$ 229.1
China	22.4	17.4	38.9	24.0
Canada	9.3	6.2	18.0	13.5
Australia	8.4	4.6	16.3	12.5
Other	2.9	3.5	6.6	5.2
<b>Total net sales</b>	<b>\$ 168.1</b>	<b>\$ 145.6</b>	<b>\$ 317.0</b>	<b>\$ 284.3</b>

**NOTE 12. INCOME TAXES**

The following table presents details related to our income taxes:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Income (loss) before income taxes	\$ (18.8)	\$ (6.3)	\$ 7.6	\$ (19.8)
Income tax expense (benefit)	0.7	—	(0.1)	(0.3)
Effective tax rate	(3.7)%	— %	(1.3)%	1.5 %

For the three months ended June 30, 2021 we recognized an income tax expense related to various foreign jurisdictions.

For the six months ended June 30, 2021 we recognized an income tax benefit consisting of a U.S. income tax benefit offset by foreign income tax expense from various jurisdictions. The U.S. income tax benefit relates to a reduction in the Company's deferred tax liabilities due to the sale of the South Gate Facility.

For the three months and six months ended June 30, 2020, we recognized an income tax benefit consisting of a U.S. income tax benefit and a foreign income tax expense from various jurisdictions. The U.S. income tax benefit relates to a reduction in our valuation allowance due to the tax impact of the gains in other comprehensive income.

As of June 30, 2021, we consider foreign unremitted income to be permanently reinvested.

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

**NOTE 13. RECONCILIATION OF BASIC AND DILUTED EARNINGS PER SHARE**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Net income (loss)</b>	\$ (19.5)	\$ (6.3)	\$ 7.7	\$ (19.5)
<b>Weighted average shares outstanding:</b>				
Weighted average common shares outstanding	21,685,862	21,574,595	21,677,449	21,551,024
Weighted average common shares, vested not yet issued	255,592	346,845	252,060	331,987
Weighted average common shares outstanding - Basic	21,941,454	21,921,440	21,929,509	21,883,011
Dilutive impact of stock-based compensation plans	—	—	158,570	—
<b>Weighted average common shares outstanding - Diluted</b>	<b>21,941,454</b>	<b>21,921,440</b>	<b>22,088,079</b>	<b>21,883,011</b>
<b>Income (loss) per share of common stock:</b>				
Basic income (loss) per share of common stock	\$ (0.89)	\$ (0.29)	\$ 0.35	\$ (0.89)
Diluted income (loss) per share of common stock	(0.89)	(0.29)	0.35	(0.89)

In periods when there is a net loss, diluted loss per share is calculated using weighted average common shares outstanding, as inclusion of potentially dilutive common shares would be anti-dilutive.

Performance-based employee compensation awards are considered potentially dilutive in periods in which the performance conditions are met.

The following stock-based compensation awards were excluded from the computation of diluted income (loss) per share of common stock:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Potentially dilutive common shares excluded from diluted computation, as inclusion would be anti-dilutive or because performance conditions were not met	1,724,334	1,191,452	1,585,888	1,216,544

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

**NOTE 14. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

The following table summarizes the activity, by component, related to the change in AOCI

	Foreign Currency Translation Adjustments	Derivative Adjustments	Pension and Postretirement Adjustments	Total Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2020	\$ 6.7	\$ (1.0)	\$ (65.0)	\$ (59.3)
Other comprehensive income (loss) before reclassifications, net of tax impact of \$—, \$0.1, \$— and \$—, respectively	0.3	(0.2)	(0.1)	—
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	—	0.5	0.5	1.0
Net current period other comprehensive income (loss)	0.3	0.3	0.4	1.0
<b>Balance, June 30, 2021</b>	<b>\$ 7.0</b>	<b>\$ (0.7)</b>	<b>\$ (64.6)</b>	<b>\$ (58.3)</b>
Balance, December 31, 2019	\$ (0.5)	\$ (0.6)	\$ (73.6)	\$ (74.7)
Other comprehensive income (loss) before reclassifications, net of tax impact of \$— in all components	(0.9)	0.7	0.2	—
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	—	(0.3)	2.0	1.7
Net current period other comprehensive income (loss)	(0.9)	0.4	2.2	1.7
<b>Balance, June 30, 2020</b>	<b>\$ (1.4)</b>	<b>\$ (0.2)</b>	<b>\$ (71.4)</b>	<b>\$ (73.0)</b>

**Armstrong Flooring, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(Dollars in millions, except per share data)*

The amounts reclassified from Accumulated other comprehensive (loss) and the affected line item of the Condensed Consolidated Statements of Operations are presented in the table below.

	Three Months Ended June 30,		Six Months Ended June 30,		Affected Line Item
	2021	2020	2021	2020	
<b>Derivative adjustments:</b>					
Foreign exchange contracts - purchases	\$ 0.2	\$ (0.1)	\$ 0.4	\$ (0.2)	Cost of goods sold
Foreign exchange contracts - sales	0.1	(0.1)	0.2	(0.1)	Net sales
Total before tax	0.3	(0.2)	0.6	(0.3)	
Tax impact	—	—	(0.1)	—	Income tax expense (benefit)
<b>Total reclassifications of derivative adjustments, net of tax</b>	<b>0.3</b>	<b>(0.2)</b>	<b>0.5</b>	<b>(0.3)</b>	
<b>Pension and postretirement adjustments:</b>					
Prior service cost (credit) amortization	(0.2)	(0.2)	(0.5)	(0.2)	Other expense (income), net
Amortization of net actuarial loss (gain)	0.7	1.5	1.1	2.9	Other expense (income), net
Total before tax	0.5	1.3	0.6	2.7	
Tax impact	(0.1)	(0.4)	(0.1)	(0.7)	Income tax expense (benefit)
<b>Total reclassifications of pension and postretirement adjustments, net of tax</b>	<b>0.4</b>	<b>0.9</b>	<b>0.5</b>	<b>2.0</b>	
<b>Total reclassifications for the period, net of tax</b>	<b>\$ 0.7</b>	<b>\$ 0.7</b>	<b>\$ 1.0</b>	<b>\$ 1.7</b>	

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion supplements and should be read in conjunction with the accompanying unaudited condensed consolidated financial statements as well as the audited consolidated financial statements of the Company, including the notes thereto, included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which includes additional information about the Company's critical accounting policies, contractual obligations, and transactions that support the financial results and provides a more comprehensive summary of the Company's outlooks, trends and strategies for 2021 and beyond.

### Executive Overview

We are a leading global producer of flooring products for use primarily in the construction and renovation of commercial, residential and institutional buildings. We design, manufacture, source and sell resilient flooring products primarily in North America and the Pacific Rim. As of June 30, 2021, we operated seven manufacturing plants in three countries, including five manufacturing plants located throughout the U.S. (Illinois, Mississippi, Oklahoma and two in Pennsylvania) and one plant each in China and Australia.

During early 2020, we established a multi-year strategic roadmap to transform and modernize our operations to become a leaner, faster-growing and more profitable business. The transformation encompasses three critical objectives: (i) expanding customer reach; (ii) simplifying product offerings and operations; and (iii) strengthening core capabilities. In addition, we have implemented a new operating model to more effectively accomplish these objectives by: (i) placing customers first by aligning services and products through a more seamless value chain; (ii) leading the industry in product innovation; (iii) simplifying processes and operating complexity to become more competitive and efficient; (iv) realigning the go-to-market model to reach all relevant channels and customers; (v) implementing system changes to improve operations, reduce costs and reignite organic growth; and (vi) investing thoughtfully with a return-focused mindset. The goal of this focused strategy is to transform and modernize AFI, resulting in a company that is more agile, faster-growing and more profitable.

Building on the positive momentum and achievements from the prior year, during 2021, despite experiencing inflationary and supply chain headwinds, we have (i) completed the phased relocation of our new corporate headquarters and Technical Center including a first-of-its-kind design center to showcase our full capabilities, with expected cost savings of approximately 60% when fully annualized; (ii) launched several new key products including additions to the American Charm collection and the introduction of NexPro™, Nexpro™ XMB, and Rest & Refuge™; (iii) commenced shipments from the Company's new fully operational west coast distribution center; (iv) continued to execute on our multichannel go-to-market strategy, including expanded rebranding initiatives and the launch of the new distributor-driven Armstrong® Flooring Signature™ brand and the Armstrong® Flooring Pro™ brand that is focused on the builder and multi-family channels; (v) continued initiatives aimed at improving manufacturing efficiency and customer experiences; (vi) continued to make investments in both talent and process improvements; and (vii) made our initial sales to the hospitality channel in the second quarter.

On March 10, 2021 we completed the sale of our South Gate Facility for a total purchase price of \$76.7 million. The Company received proceeds of \$65.3 million, net of fees, expenses and certain amounts held in an environmental-related escrow account. The Company recognized a gain of \$46.0 million on the sale. Concurrent with the sale, the Company paid \$20.4 million to Pathlight Capital L.P., including a \$20.0 million mandatory repayment of our Term Loan Facility and \$0.4 million of prepayment premium fees. Additionally, upon completion of the sale, the temporary \$30.0 million restriction on available liquidity under the Amended ABL Credit Facility was removed.

### COVID-19

As the COVID-19 pandemic continues, we have seen the overall impact on our business decline. However, we remain committed to safeguarding our employees and the communities in which we operate, while continuing to deliver our products to customers. We have experienced the impact of the imbalance of global shipping capacity and demand which has led to delays in the receipt of goods from China and Vietnam at U.S. ports. Additionally, while overall economic activity has improved, some of our customers' commercial projects in the retail, office, medical and educational sectors continue to be postponed. These factors have led to a softer demand environment in certain states and channels. The ultimate duration and impact of the pandemic on our future results is unknown.

*Outlook*

Looking forward, the Company remains committed to profitable growth over the medium and long-term; however, results will continue to be negatively impacted by inflation, supply chain disruptions and the timing of price increases as well as COVID-19 in 2021, primarily in the commercial markets served by the Company as well as costs associated with Company's on-going business transformation initiatives. The Company's view for the remainder of 2021 is supported by the below factors, which should be considered in the context of other risks, trends and strategies described in the Company's Annual Report on Form 10-K for the year ended December 31, 2020:

- The Company expects sales to improve during the full year 2021 compared to 2020 as a result of decreased COVID-19 pressures, the impact of recently announced price increases, continued expansion into additional market segments, and positive trends in residential end markets and new product introductions.
- Operating results in the short-term will be negatively impacted by incremental expenses necessary to execute the Company's business transformation initiatives. This includes anticipated higher Selling, general and administrative expenses, primarily during the remainder of 2021, to support the Company's go-to-market changes. Funding for these initiatives will be aided by the deployment of capital associated with the sale of the Company's South Gate Facility.
- As the Company navigates 2021, it is focused on several uncertainties, which may impact operating results, including navigating the continued impact of COVID-19, inflationary and labor pressures as well as continued global logistics and shipping challenges. The global logistic and shipping challenges delayed a substantial number of anticipated order deliveries from the second quarter of 2021 until the third quarter of 2021 and the Company continues to maintain a strong backlog.
- During the second quarter of 2021, the Company continued to experience higher product and transportation costs, which offset a favorable product mix for the quarter. The higher product and transportation costs were driven by the unusual inflationary impacts of the transitory macro-economic recovery which have been higher than historic norms. As a result, the Company currently estimates that total product and transportation costs for the full-year 2021 will be approximately \$60 million to \$65 million higher than prior year on a comparable basis. The Company is committed to cost containment efforts to offset the impact of inflation and the Company's ability to manage these costs will continue to impact the Company's gross margins, results of operations and cash flows for the remainder of 2021.
- The Company has instituted multiple price increases during the six months ended June 30, 2021. However, increased costs have outpaced the Company's price increases to this point. A third price increase has been announced for August 2021.
- As the Company continues to execute against its multi-year strategic roadmap, the primary areas of focus for 2021 continue to include: (i) continued focus on improving the customer experience while also improving overall profitability; (ii) continued introduction of compelling products into the markets the Company serves; and (iii) expansion of existing and entry into new market segments.

**Geographic Areas**

See Note 11, Revenue, in Part I "Financial Statements" to the Condensed Consolidated Financial Statements for additional financial information by geographic areas.



## Results of Operations

## Condensed Consolidated Results from Continuing Operations

Below is a summary of comparative results of operations for the three and six months ended June 30, 2021 and 2020:

<i>(Dollars in millions)</i>	Three months ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net sales	\$ 168.1	\$ 145.6	\$ 317.0	\$ 284.3
Cost of goods sold	146.9	120.9	275.9	236.3
<b>Gross profit</b>	<b>21.2</b>	<b>24.7</b>	<b>41.1</b>	<b>48.0</b>
Selling, general and administrative expenses	39.5	30.3	77.6	66.9
Gain on sale of property	—	—	(46.0)	—
<b>Operating income (loss)</b>	<b>(18.3)</b>	<b>(5.6)</b>	<b>9.5</b>	<b>(18.9)</b>
Interest expense	2.8	1.2	6.3	1.8
Other expense (income), net	(2.3)	(0.5)	(4.4)	(0.9)
<b>Income (loss) before income taxes</b>	<b>(18.8)</b>	<b>(6.3)</b>	<b>7.6</b>	<b>(19.8)</b>
Income tax expense (benefit)	0.7	—	(0.1)	(0.3)
<b>Net income (loss)</b>	<b>\$ (19.5)</b>	<b>\$ (6.3)</b>	<b>\$ 7.7</b>	<b>\$ (19.5)</b>

*Net sales*

Net sales by percentage point change are shown in the table below:

<i>(Dollars in millions)</i>	Three Months Ended June 30,		Change		Percentage Point Change Due to			
	2021	2020	\$	%	Price	Volume	Mix	Currency
	\$ 168.1	\$ 145.6	\$ 22.5	15.5 %	5.7 %	(9.9) %	17.0 %	2.7 %

  

<i>(Dollars in millions)</i>	Six Months Ended June 30,		Change		Percentage Point Change Due to			
	2021	2020	\$	%	Price	Volume	Mix	Currency
	\$ 317.0	\$ 284.3	\$ 32.7	11.5 %	4.0 %	(12.1) %	17.5 %	2.1 %

Net sales for the three months ended June 30, 2021 increased \$22.5 million and 15.5% compared to the three months ended June 30, 2020. For the six months ended June 30, 2021, net sales increased \$32.7 million and 11.5% compared to the six months ended June 30, 2020. These increases reflect growth in each region in which the Company operates. Demand improvements, favorable product mix and impacts from previously announced pricing initiatives drove sales increases in both Commercial and Residential channels, offset by supply chain disruptions (including the impact of winter storms during the first quarter of 2021) despite strong demand.

*Cost of goods sold*

Cost of goods sold for the three months ended June 30, 2021 was 87.4% of net sales compared to 83.0% of net sales in the three months ended June 30, 2020. For the three months ended June 30, 2021, costs of goods sold increased \$26.0 million and 21.5% compared to the three months ended June 30, 2020. For the six months ended June 30, 2021, cost of goods sold was 87.0% of net sales compared to 83.1% of net sales in the six months ended June 30, 2020. For the six months ended June 30, 2021, costs of goods sold increased \$39.6 million and 16.8% compared to the six months ended June 30, 2020. These increases were primarily attributable to volume, inflation related to the cost of freight and raw materials and supply interruptions which caused manufacturing inefficiencies. In addition, the first quarter of 2021 was impacted by manufacturing inefficiencies caused by winter storms which affected multiple manufacturing plants and the second quarter of 2021 was impacted by a \$4.5 million charge, which included \$3.3 million of accelerated depreciation expense for property, plant and equipment for which no alternative use was identified and a \$1.2 million inventory rationalization charge related to the Company's business transformation initiatives.

**Selling, general & administrative expenses**

Selling, general and administrative expenses for the three months ended June 30, 2021 increased \$9.2 million and 30.4% compared to the three months ended June 30, 2020 and increased \$10.7 million and 16.0% for the six months ended June 30, 2021. The increases in both periods were due primarily to increased headcount in our sales organization to support changes in our go-to-market strategy, higher incentive compensation accruals compared to the same periods in prior year, increased advertising and promotion costs compared to the same periods in prior year and cost reduction measures implemented during 2020, in response to the impact of COVID-19, which did not repeat during the current year. In addition, there were incremental expenses of \$0.3 million and \$0.8 million related to the relocation of the Company's headquarters during the three months and six months ended June 30, 2021, respectively. We expect current year costs to be more indicative of our future cost structure.

**Business transformation costs**

Beginning in 2018, the Company commenced a multi-year business transformation which resulted in a strategic roadmap formally announced during 2020. The multi-year roadmap encompasses three critical objectives: (i) expanding customer reach; (ii) simplifying product offerings and operations; and (iii) strengthening core capabilities. Such costs (or gains) are included in the captions Costs of goods sold; Selling, general and administrative expenses; or Gain (loss) on sale of property on the Company's Consolidated Statements of Operations as required by U.S. GAAP. A summary of business transformation costs (or gains) included in these captions for the periods presented include:

	For the Three Months Ended June 30,			
	2021			2020
	Cost of Goods Sold	Selling, General & Administrative Expenses	(Gain) Loss on Sale of Property	Selling, General & Administrative Expenses
<i>(Dollars in millions)</i>				
Site exit and relocation costs	\$ —	\$ 0.3	\$ —	\$ —
Employee termination costs	—	—	—	0.7
Product and asset rationalization	4.5	—	—	—
Net gains	—	—	—	—
<b>Total</b>	<b>\$ 4.5</b>	<b>\$ 0.3</b>	<b>\$ —</b>	<b>\$ 0.7</b>

	For the Six Months Ended June 30,			
	2021			2020
	Cost of Goods Sold	Selling, General & Administrative Expenses	(Gain) Loss on Sale of Property	Selling, General & Administrative Expenses
<i>(Dollars in millions)</i>				
Site exit and relocation costs	\$ —	\$ 0.8	\$ —	\$ —
Employee termination costs	—	—	—	0.7
Product and asset rationalization	4.5	—	—	—
Net gains	—	—	(46.0)	—
<b>Total</b>	<b>\$ 4.5</b>	<b>\$ 0.8</b>	<b>\$ (46.0)</b>	<b>\$ 0.7</b>

*Site exit and relocation costs* - Site exit and relocation costs include costs associated with exit or disposal activities, including asset write-downs, and non-recurring costs associated with relocation of Company operations. Costs incurred during the both the three and six months ended June 30, 2021 related to the Company's corporate headquarters relocation.

*Employee termination costs* - Costs of involuntary termination benefits associated with one-time benefit arrangements provided as part of an exit or disposal activity are recognized by the Company when a formal plan for reorganization is approved at the appropriate level of management and communicated to the affected employees. The employee termination benefit costs during the three and six months ended June 30, 2020 relate to our former CFO.

*Product and asset rationalization* - As part the Company's on-going business transformation efforts, it may from time-to-time determine to stop producing certain products. As a result, the Company may incur accelerated depreciation charges for certain assets and inventory reserve charges to reflect inventory at estimated market value. Costs incurred during the three and six months ended June 30, 2021 related to such determinations.

*Net gains* - Net gains result from the sale of redundant properties (primarily land and buildings) and non-core assets. During the six months ended June 30, 2021 net gains related to the sale of our South Gate Facility which was classified as Assets held-for-sale during 2020. See Note 4, Property, Plant and Equipment, in Part I “Financial Statements” for additional discussion related to this transaction.

**Interest expense**

Interest expense increased \$1.6 million and \$4.5 million for the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020 due to higher interest rates on debt outstanding resulting from our June 2020 refinancing.

**Other (income) expense, net**

Other income increased \$1.8 million and \$3.5 million, respectively, for the three and six months ended June 30, 2021, respectively, compared to the three and six months ended June 30, 2020 primarily reflecting the positive impact from changes in actuarial assumptions related to defined-benefit pension and postretirement plans.

**Income tax**

We recorded income tax expense of \$0.7 million for the three months ended June 30, 2021 compared to no income tax expense for the three months ended June 30, 2020. The 2021 expense relates to foreign income tax expense from various jurisdictions.

We recorded an income tax benefit of \$0.1 million for the six months ended June 30, 2021 compared to a benefit of \$0.3 million for the six months ended June 30, 2020, consisting of U.S. income tax benefit offset by a foreign income tax expense from various jurisdictions. The U.S. income tax benefit relates to a reduction in the Company’s deferred tax liabilities due to the sale of the South Gate Facility.

**Liquidity and Capital Resources**

The March 2021 sale of our South Gate Facility had a significant positive effect on the Company's overall liquidity and capital resources.

Upon the sale of our South Gate Facility we made a mandatory payment of \$20.0 million to Pathlight Capital L.P. towards the principal balance on our Term Loan Facility as required by the Term Loan Agreement. As part of this mandatory payment, we paid an additional \$0.4 million in prepayment premium fees.

Additional proceeds from the South Gate Facility sale were applied to outstanding borrowings under our Amended ABL Credit Facility. Additionally, upon completion of the sale, the temporary \$30.0 million restriction on available liquidity under the Amended ABL Credit Facility was removed.

During March 2021, we entered into a new line of credit in China. The new credit limit is \$9.3 million with a one-year maturity date and a variable interest rate of 3.85% to 4.35%. The loan is secured by the land and building of our Chinese facility. There was \$4.6 million outstanding under the new line of credit at June 30, 2021. Subsequent to entering into the new line of credit in China, in April 2021, we repaid \$3.5 million of borrowings outstanding under an existing local borrowing arrangement in China which matured in February 2021.

**Cash Flow Summary**

The table below shows our cash (used for) provided by operating, investing and financing activities:

	Six Months Ended June 30,	
	2021	2020
<i>(Dollars in millions)</i>		
Net cash provided by (used for) operating activities	\$ (31.7)	\$ (6.9)
Net cash provided by (used for) investing activities	54.3	(10.9)
Net cash provided by (used for) financing activities	(21.8)	25.0

*Operating Activities* - Net cash used for operating activities for the six months ended June 30, 2021 was \$1.7 million, an increase in use of \$24.8 million from the six months ended June 30, 2020. The increase was the result of changes in working capital, primarily related to receivables, accounts payable and accrued expenses and the impact of the gain on the sale of the South Gate Facility, offsetting higher net income.

*Investing Activities* - Net cash provided by investing activities for the six months ended June 30, 2021 was \$4.3 million, an increase of \$65.2 million from the cash used for investing activities during the six months ended June 30, 2020. The increase is due to the sale of our South Gate Facility.

*Financing Activities* - Net cash used for financing activities for the six months ended June 30, 2021 was \$1.8 million, a decrease of \$46.8 million from net cash provided by financing activities for the six months ended June 30, 2020. The decrease was due to new term loan financing of \$70.0 million in prior year and higher payments on long-term debt during 2021, offsetting lower net borrowings under the revolving credit facility.

#### **Sources and Uses of Cash**

Our primary sources of liquidity are, and we anticipate that they will continue to be, cash generated from operations and borrowings under our credit facilities. We believe these sources are sufficient to fund our capital needs, including the costs of our business transformation initiatives, planned capital expenditures and to meet our interest and other contractual obligations in the near term. Our liquidity needs for operations vary throughout the year with the majority of our cash flows generated in the second and third quarters.

As of June 30, 2021 there were borrowings of \$9.0 million outstanding under our Amended ABL Credit Facility, while outstanding letters of credit were \$6.6 million. Total net availability under the Amended ABL Credit Facility and Term Loan Facility as of June 30, 2021 was \$72.3 million.

We are required to pay a commitment fee, payable quarterly in arrears, on the average daily unused amount of the revolving Amended ABL Credit Facility, which varies according to the net leverage ratio and was 0.50% as of June 30, 2021. Outstanding letters of credit issued under the Amended ABL Credit Facility are subject to fees which will be due quarterly in arrears based on the applicable margin described above plus a fronting fee. The total rate for letters of credit was 4.125% as of June 30, 2021.

Our foreign subsidiaries had available lines of credit totaling \$9.3 million and there were \$4.6 million borrowings under these lines of credit as of June 30, 2021. Total availability under these foreign lines of credit as of June 30, 2021 was \$4.7 million.

In addition, the Company had \$14.6 million of Cash and cash equivalents at June 30, 2021.

Based on the foregoing, the Company had total liquidity (including Cash and cash equivalents) of \$91.6 million at June 30, 2021.

#### **Debt Covenants**

The Amended ABL Credit Facility requires, among other things, that we maintain a minimum Consolidated Cash Flow (as defined in the Amendment) for the three-fiscal quarter period ending September 30, 2020 and for any four-fiscal quarter period ending thereafter and during a Financial Covenant Trigger Period (as defined in the Amendment) and maintain a minimum Consolidated Fixed Charge Coverage Ratio (as defined in the Amendment) of at least 1.00 to 1.00.

The Term Loan Agreement contains a number of covenants that, among other things and subject to certain exceptions, restrict our ability to create liens, to undertake fundamental changes, to incur debt, to sell or dispose of assets, to make investments, to make restricted payments such as dividends, distributions or equity repurchases, to change the nature of our businesses, to enter into transactions with affiliates and to enter into certain burdensome agreements.

At June 30, 2020, we were in compliance with all covenants.

#### **Cash Management**

The Company has various cash management systems throughout the world that centralize cash in various bank accounts where it is economically justifiable and legally permissible to do so. These centralized cash balances are then redeployed to other operations to reduce short-term borrowings and to finance working capital needs or capital expenditures. Due to the transitory nature of cash balances, they are normally invested in bank deposits that can be withdrawn at will or in very liquid short-term bank time deposits. The Company's policy is to primarily use the banks that participate in our Amended ABL credit facility located in the various countries in which the Company operates. The Company monitors the creditworthiness of banks and when appropriate will adjust banking operations to reduce or eliminate exposure to less creditworthy banks.

At June 30, 2021, our Cash and cash equivalents totaled \$14.6 million, of which \$3.1 million was held in the U.S. and \$11.5 million held by non-U.S. subsidiaries. At June 30, 2021 none of our consolidated cash and cash equivalents had regulatory restrictions that would preclude the transfer of funds with and among subsidiaries. While our remaining non-U.S. cash and cash equivalents can be transferred with and among subsidiaries, the majority of these non-U.S. cash balances will be used to support the ongoing working capital needs and continued growth of our non-U.S. operations.

#### **Recent Accounting Pronouncements**

See Note 1, Business and Basis of Presentation, in Part I “Financial Statements” for a discussion of recent accounting pronouncements, including accounting pronouncements that are effective in future periods.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Market risks have not changed significantly from those disclosed in “Quantitative and Qualitative Disclosures About Market Risk” and included in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

#### **Item 4. Controls and Procedures**

##### **Evaluation of Disclosure Controls and Procedures**

The Company maintains a system of disclosure controls and procedures to give reasonable assurance that information required to be disclosed in the Company's reports filed or submitted under the Securities Exchange Act of 1934, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. These controls and procedures also give reasonable assurance that information required to be disclosed in such reports is accumulated and communicated to management to allow timely decisions regarding required disclosures.

As of June 30, 2021, the Company's CEO and CFO, together with management, conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934. Based on that evaluation, the CEO and CFO concluded that these disclosure controls and procedures are effective at the reasonable assurance level described above.

##### **Change in Internal Controls over Financial Reporting**

There were no changes in the Company’s internal control over financial reporting that occurred during the Company's most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

**PART II: OTHER INFORMATION**

**Item 1. Legal Proceedings**

See Note 10, Litigation and Related Matters, in Part I, Item 1, “Financial Statements.”

**Item 1A. Risk Factors**

There have been no material changes in the Company's risk factors discussed in Part I, Item 1A, Risk Factors in our 2020 Annual Report on Form 10-K.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

There were no unregistered sales of equity securities from March 31, 2021 to June 30, 2021.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None.

## Item 6. Exhibits

Exhibit Number	Description
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Armstrong Flooring, Inc. dated March 30, 2016</a> (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on April 4, 2016).
3.2	<a href="#">Amendment to Amended and Restated Certification of Incorporation of Armstrong Flooring Inc., dated June 4, 2021</a> (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on June 4, 2021.)
3.3	<a href="#">Amended and Restated Bylaws of Armstrong Flooring, Inc. dated March 30, 2016</a> (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on April 4, 2016).
10.1	<a href="#">Form of 2021 Long-Term Time-Based Cash Award - CEO.†</a>
10.2	<a href="#">Form of 2021 Long-Term Time-Based Cash Award - United States.†</a>
10.3	<a href="#">Form of 2021 Long-Term Performance-Based Cash Award - China.†</a>
10.4	<a href="#">Form of 2021 Long-Term Performance-Based Performance Stock Unit Grant - CEO.†</a>
10.5	<a href="#">Form of 2021 Long-Term Performance-Based Performance Stock Unit Grant - No Holding Period.†</a>
10.6	<a href="#">Form of 2021 Long-Term Performance-Based Performance Stock Unit Grant - With Holding Period.†</a>
10.7	<a href="#">Form 2021 Long-Term Time-Based Restricted Stock Unit Grant - CEO.†</a>
10.8	<a href="#">Form 2021 Long-Term Time-Based Restricted Stock Unit Grant ELT.†</a>
10.9	<a href="#">Form 2021 Long-Term Time-Based Cash Award - China.†</a>
31.1	<a href="#">Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.†</a>
31.2	<a href="#">Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.†</a>
32.1	<a href="#">Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</a>
32.2	<a href="#">Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.†
101.SCH	XBRL Taxonomy Extension Schema Document†
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document†
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document†
101.LAB	XBRL Taxonomy Extension Label Linkbase Document†
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document†
†	Filed herewith.
*	Furnished herewith.

**SIGNATURES**

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.

**Armstrong Flooring, Inc.  
(Registrant)**

Date: July 30, 2021

By: /s/ Amy P. Trojanowski

Amy P. Trojanowski  
Senior Vice President and Chief Financial Officer  
(As Duly Authorized Officer and Principal Financial Officer)

Date: July 30, 2021

By: /s/ Phillip J. Gaudreau

Phillip J. Gaudreau  
Vice President and Controller  
(As Duly Authorized Officer and Principal Accounting Officer)



Exhibit 10.1

2021 Long-Term Time-Based Cash Award

ARMSTRONG FLOORING, INC.  
2500 Columbia Ave., P.O. Box 3025  
Lancaster, PA 17604  
717.672.9611

—  
[Grantee Name]

I am pleased to inform you that the Company's Management Development and Compensation Committee granted you the following:

Date of Grant: April 1, 2021  
Time-Based Cash Award: [Cash Amount]

This grant is subject to the terms of this award agreement. The award agreement consists of this grant letter and the Terms and Conditions attached as Exhibit A.

Vesting - The Cash Award will vest on April 1, 2023, if you remain employed by the Employer through such vesting date, except as described below. The Cash Award is payable in a single lump sum cash payment (subject to applicable withholding for taxes).

Employment Events

The following chart is a summary of the provisions which apply to this award in connection with your termination of employment. The following is only a summary, and in the event of termination of employment, the award will be governed by the Terms and Conditions.

Event	Provisions
Voluntary Resignation	Forfeit the unvested Cash Award
Termination for Cause	Forfeit the unpaid (vested or unvested) Cash Award
Involuntary Termination	If termination occurs after 10 months following the Date of Grant, the Cash Award vests pro-rata based on the period of employment; otherwise unvested portion of Cash Award is forfeited
<input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	Cash Award vests pro-rata based on the period of employment
Involuntary Termination upon or within two years following a Change of Control	Cash Award vests in full upon termination of employment

In the event of any inconsistency between the foregoing summary and the Terms and Conditions, the Terms and Conditions will govern. Capitalized terms used but not defined in this grant letter

will have the meanings set forth in the Terms and Conditions. **As described in the Terms and Conditions, if and to the extent that the terms of this award agreement conflict with the terms of a Change in Control Agreement or employment agreement between you and the Company, the terms of this award agreement shall supersede the terms of the Change in Control Agreement or employment agreement.**

**Please note that the Terms and Conditions contain restrictive covenant language pertaining to confidentiality, non-competition and non-solicitation. You should read these sections carefully before deciding whether to accept the Cash Award. If you decide not to accept the Cash Award, you will not be subject to the restrictive covenants set forth in the Terms and Conditions, but you will forfeit the Cash Award. You will continue to be subject to any restrictive covenants set forth in the 2016 Long-Term Incentive Plan with respect to any equity grants made to you under such plan and any restrictive covenants set forth in any other agreements between you and the Company. There will be no other consequences as a result of your decision not to accept the Cash Award.**

Please contact Steven Slutsky (484-744-9009) if you have questions.

Sincerely,

John C. Bassett  
SVP & CHRO

**EXHIBIT A**

**ARMSTRONG FLOORING, INC.**

**TIME-BASED CASH AWARD  
TERMS AND CONDITIONS**

1. Grant.

(a) Subject to the terms set forth below, Armstrong Flooring, Inc. (the “Company”) has granted to the designated employee (the “Grantee”) a time-based cash award (the “Cash Award”) as specified in the 2021 Long-Term Time-Based Cash Award Grant Letter to which these Grant Conditions relate (the “Grant Letter”). The “Date of Grant” is April 1, 2021. The Cash Award entitles the Grantee to receive a cash bonus payment from the Grantee’s employer subject to the terms set forth below.

(b) The Cash Award shall be vested and payable in accordance with the schedule set forth below, if and to the extent the terms of the Grant Letter and these Grant Conditions are met.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letter.

2. Vesting. Except as provided in Sections 3 and 4 below, the Cash Award shall vest on April 1, 2023, if the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively, the “Employer”) on such date (the “Vesting Date”):

3. Termination of Employment.

(a) Except as described below, if the Grantee ceases to be employed by the Employer for any reason prior to the Vesting Date, the unvested Cash Award shall be forfeited as of the termination date and shall cease to be outstanding.

(b) Subject to Section 4 below, if, prior to the Vesting Date, the Grantee ceases to be employed by the Employer (x) on account of death or Long-Term Disability (as defined below), or (y) after ten months following the Date of Grant, on account of Involuntary Termination (as defined below), the Grantee shall vest in a pro-rated portion of the granted Cash Award in accordance with this Section 3(b), provided such vesting does not result in a violation of any age discrimination or other applicable law. The pro-rated portion shall be determined by multiplying the amount of the Cash Award by a fraction, the numerator of which is the number of calendar months in the period starting with (i) the first calendar month following the month in which the Date of Grant occurs through (ii) the calendar month in which the Involuntary Termination date occurs, with such final calendar month counting as a full month, and the denominator of which is 24. The pro-rated Cash Award shall be paid within 60 days after the Grantee’s termination date, as described in Section 7. The unvested Cash Award, if any, shall be forfeited as of the termination date and shall cease to be outstanding.

(c) If the Grantee ceases to be employed by the Employer on account of Cause (as defined below), the unpaid Cash Award (vested or unvested) shall be forfeited as of the termination date and shall cease to be outstanding.

4. Change in Control Involuntary Termination. Notwithstanding Section 3 above, if the Grantee has an Involuntary Termination upon or within two years after a Change in Control (as defined below), and prior to the Vesting Date, the Grantee's outstanding Cash Award shall become fully vested and shall be paid within 60 days after such Involuntary Termination, as described in Section 7. If the Grantee has a Change in Control Severance Agreement with the Company ("Change in Control Agreement"), on and after a Change in Control, the term "Involuntary Termination" shall have the meaning given a termination by the Company without Cause as defined in the Change in Control Agreement, and shall include without limitation a termination for Good Reason as defined in the Change in Control Agreement. **The Grantee agrees that, subject to the immediately preceding sentence, if and to the extent that these Grant Conditions conflict with the terms of the Change in Control Agreement or any employment agreement between the Company and the Grantee, these Grant Conditions shall supersede the provisions of the Change in Control Agreement and employment agreement applicable to vesting of cash awards on and after a Change in Control, notwithstanding anything in the Change in Control Agreement or employment agreement to the contrary.**

5. Definitions. For purposes of these Grant Conditions and the Grant Letter:

(a) "Cause" shall mean any of the following, as determined in the sole discretion of the Employer: (i) commission of a felony or a crime involving moral turpitude; (ii) fraud, dishonesty, misrepresentation, theft or misappropriation of funds with respect to the Employer; (iii) violation of the Employer's Code of Conduct or employment policies, as in effect from time to time; (iv) breach of any written noncompetition, confidentiality or non-solicitation covenant of the Grantee with respect to the Employer; or (v) gross negligence or misconduct in the performance of the Grantee's duties with the Employer.

(b) "Change in Control" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(c) "Company Trade Secrets" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(d) "Confidential Information" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(e) "Injurious Conduct" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(f) "Involuntary Termination" shall mean the Employer's termination of the Grantee's employment other than for Cause.

(g) "Long-Term Disability" shall mean the Grantee is receiving long-term disability benefits under the Employer's long-term disability plan.

6. Restrictive Covenants; Forfeiture.

- (a) The Management Development and Compensation Committee (the "Committee") may determine that the Cash Award shall be forfeited if the Grantee engages in Injurious Conduct.
- (b) If the Committee determines that the Grantee has engaged in Injurious Conduct, the Committee may in its discretion require the Grantee to return to the Company the cash received in payment of the Cash Award.
- (c) The Committee shall exercise the right of forfeiture and recoupment provided to the Company in this Section 6 within 180 days after the Company's discovery of the Injurious Conduct activities giving rise to the Company's right of forfeiture or recoupment.
- (d) The Grantee may make a request to the Committee in writing for a determination regarding whether any proposed business or activity would constitute Injurious Conduct. Such request shall fully describe the proposed business or activity. The Committee shall respond to the Grantee in writing and the Committee's determination shall be limited to the specific business or activity so described.
- (e) By accepting the Cash Award, the Grantee acknowledges and agrees that all Company Trade Secrets and Confidential Information developed, created or maintained by the Grantee, alone or with others, during the Grantee's employment or service with the Employer, shall remain at all times the sole property of the Company and its subsidiaries and affiliates.
- (f) This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after the Grantee's termination or cessation of the Grantee's employment or service with the Employer. The Grantee understands that in the event of a violation of any provision of this Section 6, the Company shall have the right to seek injunctive relief, in addition to any other existing rights provided in this Agreement or by operation of law, without the requirement of posting bond. The remedies provided in this Section 6 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Grantee and the Company or any of its subsidiaries or affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of this Section 6 and Attachment 1 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.
- (g) By accepting the Cash Award, the Grantee acknowledges that the Grantee has carefully read and considered the provisions of this Section 6 and Attachment 1 and agrees that the restrictions set forth herein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company and its subsidiaries and affiliates.
- (h) In the event of a breach by the Grantee of any restrictive covenant set forth on Attachment 1, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company and its subsidiaries and affiliates shall receive the benefit of the Grantee's compliance with the terms and conditions of this Section 6.

7. Payment. When the Cash Award (or portion thereof) vests, the Company shall cause the Grantee's employer to make a single lump sum cash payment to the Grantee, payable in local currency, equal to the amount of the vested Cash Award, subject to applicable withholding for Taxes (as defined below). Payment shall be made within 60 days after the applicable vesting date.
8. No Right to Continued Employment. The grant of the Cash Award shall not confer upon the Grantee any right to continued employment with the Employer or interfere with the right of the Employer to terminate the Grantee's employment at any time.
9. Administration by the Committee. The Cash Award, the Grant Letter and these Grant Conditions will be administered and interpreted by the Committee. The Committee may delegate authority to one or more subcommittees or individuals, as it deems appropriate. The Board of Directors of the Company (the "Board") may take all actions of the Committee under the Grant Letter and these Grant Conditions. To the extent that the Board, Committee, subcommittee or individual administers the Grant Letter and these Grant Conditions, references in the Grant Letter and these Grant Conditions to the "Committee" shall be deemed to refer to the Board, Committee, subcommittee or other individual. The Committee is authorized to establish such rules and regulations as it deems necessary for the proper administration of the Cash Award, the Grant Letter and these Grant Conditions and the Committee has sole discretionary authority to make such determinations and interpretations and to take such action in connection with the Grant Letter and these Grant Conditions and the Cash Award granted hereunder as it deems necessary or advisable. The Grantee's receipt of this Cash Award constitutes the Grantee's acknowledgement that all determinations and interpretations made by the Committee shall be binding and conclusive on the Grantee and any other person claiming an interest in the Cash Award.
10. Amendment and Waiver. No provisions of the Grant Letter and these Grant Conditions may be amended, modified, waived or discharged unless the amendment, waiver, modification, or discharge is authorized by the Committee; provided that the Grantee consents to such amendment, modification, waiver or discharge if it materially impairs the rights of the Grantee.
11. Withholding Taxes.
- (a) The Employer shall have the right, and the Grantee hereby authorizes the Employer, to deduct from all payments made hereunder and from other compensation an amount equal to the federal (including FICA), state, local and foreign taxes, social insurance, payroll tax, contributions, payment on account obligations or other amounts required by law to be collected, withheld or accounted for with respect to the Cash Award (the "Taxes").
- (b) Regardless of any action the Employer takes with respect to any such Taxes, the Grantee acknowledges that the ultimate liability for all such Taxes legally due by the Grantee is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Employer. The Grantee further acknowledges that the Employer (i) makes no representations or undertakings regarding the treatment of any Taxes in connection with any aspect of the Cash Award, including the grant, vesting or payment of the Cash Award; and (ii) does not commit to structure the terms of the grant or any aspect of the Cash Award to reduce or eliminate the Grantee's liability for Taxes. Further, if the Grantee has become subject to tax in more than one

jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Employer (or the Grantee's former employer, as applicable) may be required to collect, withhold or account for Taxes in more than one jurisdiction.

12. Company Policies. All amounts payable under the Grant Letter and these Grant Conditions shall be subject to any applicable clawback or recoupment policies and other policies that may be implemented by the Company's Board of Directors from time to time.

13. Assignment. The Grant Letter and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Cash Award, except to a successor grantee in the event of the Grantee's death.

14. Unfunded Agreement. The Grant Letter and these Grant Conditions shall be unfunded, and the Grantee's rights under the Grant Letter and these Grant Conditions are those of a general creditor of the Company. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of the Cash Award under the Grant Letter and these Grant Conditions.

15. Section 409A. The Grant Letter and these Grant Conditions are intended to comply with the requirements of section 409A of the Code or an exemption (specifically, the short term deferral exemption of section 409A of the Code), and shall in all respects be administered in accordance with section 409A of the Code. Any payment made under the Grant Letter and these Grant Conditions shall only be made in a manner and upon an event permitted under Section 409A of the Code, including the application of the six-month delay if required.

16. Successors. The provisions of the Grant Letter and these Grant Conditions shall extend to any business that becomes a successor to the Company or its subsidiaries or affiliates on account of a merger, consolidation, sale of assets, spinoff or similar transaction with respect to any business of the Company or its subsidiaries or affiliates with which the Grantee is employed, and if this grant continues in effect after such corporate event, references to the "Company or its subsidiaries or affiliates" or the "Employer" in the Grant Letter and these Grant Conditions shall include the successor business and its affiliates, as appropriate. In that event, the Company may make such modifications to the Grant Letter and these Grant Conditions as it deems appropriate to reflect the corporate event.

17. Governing Law. The validity, construction, interpretation and effect of the Grant Letter and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the State of Delaware, excluding any conflicts or choice of law rule or principle.

18. No Entitlement or Claims for Compensation. In connection with the acceptance of the grant of the Cash Award under the Grant Letter and these Grant Conditions, the Grantee acknowledges the following:

(a) the Grant Letter and these Grant Conditions are established voluntarily by the Company and the grant of the Cash Award is made at the discretion of the Committee;

- (b) the grant of the Cash Award under the Grant Letter and these Grant Conditions is voluntary and occasional and does not create any contractual or other right to receive future grants of Cash Awards, or benefits in lieu of them, even if Cash Awards have been granted repeatedly in the past;
- (c) all decisions with respect to future grants of Cash Awards, if any, will be at the sole discretion of the Committee;
- (d) the Grantee is voluntarily accepting the Cash Award;
- (e) the Cash Award and any payments thereunder are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Employer (including, as applicable, the Grantee's employer) and which are outside of the scope of the Grantee's employment contract, if any;
- (f) the Cash Award and any payment thereunder are not to be considered part of the Grantee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (g) the Cash Award and any payments thereunder are not intended to replace any pension rights or compensation;
- (h) the grant of the Cash Award and the Grantee's acceptance of the Cash Award will not be interpreted to form an employment contract or relationship with the Employer; and
- (i) the Grantee shall have no rights, claim or entitlement to compensation or damages as a result of the Grantee's cessation of employment (for any reason whatsoever, whether or not in breach of contract or local labor law or the terms of the Grantee's employment agreement, if any), insofar as these rights, claim or entitlement arise or may arise from the Grantee's ceasing to have rights under or be entitled to receive payment under or loss or diminution in value of the Cash Award as a result of such cessation, and the Grantee irrevocably releases the Employer from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then the Grantee shall be deemed to have irrevocably waived the Grantee's entitlement to pursue such rights or claim.

19. **Data Privacy.**

- (a) **The Grantee hereby explicitly, willingly and unambiguously consents to the collection, systematization, accumulation, storage, blocking, destruction, use, disclosure and transfer, in electronic or other form, of the Grantee's personal data as described in these Grant Conditions by and among, as applicable, the Grantee's employer, the Company or its subsidiaries or affiliates for the exclusive purpose of implementing, administering and managing the Grantee's Cash Award.**



(b) The Grantee understands that the Grantee's employer, the Company or its subsidiaries or affiliates, as applicable, hold certain personal information and sensitive personal information about the Grantee regarding the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's Cash Award, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or its subsidiaries or affiliates, details of all awards in the Grantee's favor, for the purpose of implementing, administering and managing the Cash Award (the "Data").

(c) The Grantee understands that the Data may be transferred, including any cross-border, transfer to the Company, its subsidiaries and affiliates and, to any third parties assisting in the implementation, administration and management of the Cash Award, that these recipients may be located in the Grantee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's Cash Award, including any requisite transfer of such Data as may be required to a broker or other third party. The Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's Cash Award. The Grantee understands that the Grantee may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to receive the Cash Award. For more information on the consequences of refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

\* \* \*

## **Attachment 1**

### **Definitions**

For purposes of the Grant Letter and Grant Conditions, the following terms have the meanings ascribed to them on this Attachment 1:

i. "Affiliate" shall mean with respect to any Person, any other Person that, at any time that a determination is made hereunder, directly or indirectly, controls, is controlled by, or is under common control with such first Person. For the purpose of this definition, "control" shall mean, as to any Person, the possession, directly or indirectly, of the power to elect or appoint a majority of directors (or other persons acting in similar capacities) of such Person or otherwise to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

i. "Beneficial Owner" and "Beneficially Own" shall have the meaning set forth in Rules 13d-3 and 13d-5 promulgated under the Exchange Act or any successor provision.

ii. "Change in Control" of the Company shall be deemed to have occurred if the event set forth in any one of the following sections shall have occurred:

1. any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 35% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (I) of subsection (iii) below;

2. the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

3. there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (I) a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof, or (II) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities

acquired directly from the Company or its Affiliates) representing 35% or more of the combined voting power of the Company's then outstanding securities; or

4. the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred (i) by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions or (ii) by virtue of the consummation of a spin-off of any business line or business unit of the Company or a sale of (or similar transaction with respect to) all or substantially all of the assets that comprise a business line or business unit of the Company. The Committee may provide in a grant agreement for another definition of Change in Control, including as necessary to comply with Section 409A of the Code.

iii. "Code" shall mean Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

iv. "Company Trade Secrets" shall mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Company Trade Secrets include, but are not limited to, the following: unique pricing methodologies and formulas for products and services of the Company or its subsidiaries or affiliates; unique marketing arrangements and strategies which the Company or its subsidiaries or affiliates use with their vendors and suppliers; and unique advertising arrangements and strategies that the Company or its subsidiaries or affiliates use to advertise their products and services. For avoidance of doubt, Company Trade Secrets do not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

v. “Confidential Information” shall mean information belonging to the Company or its subsidiaries or affiliates, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to the Grantee during his employment or service with the Employer and/or the Grantee has gained access to during the Grantee’s employment or service with the Employer and/or was developed by the Grantee in the course of the Grantee’s employment or service with the Employer, that is proprietary and confidential in nature. Confidential Information includes, but is not limited to, the following: information believed by the Company or any of its subsidiaries or affiliates to be a Company Trade Secret that ultimately does not qualify as such under applicable law but nonetheless was maintained by the Company or its subsidiaries or affiliates as confidential; information concerning the nature of the business and manner of operation of the Company and its subsidiaries and affiliates; the methods and systems used by the Company or its subsidiaries or affiliates in soliciting, selling and providing their services and/or products to their customers; financial and accounting information, such as cost, pricing and billing information, customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning customers and prospective customers of the Company and its subsidiaries and affiliates; information concerning vendors and suppliers of the Company and its subsidiaries and affiliates; customer lists; prospective customer lists; customer buying habits and special needs; policies and procedures; personnel records; compensation paid to employees or other service providers of the Company or any of its subsidiaries or affiliates. For avoidance of doubt, Confidential Information does not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee’s possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee’s own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

vi. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

vii. “Injurious Conduct” shall mean the activities described in subsections (i), (ii), (iii) and (iv) below.

1. The Grantee’s employment or service with the Employer is terminated for willful, deliberate, or gross misconduct, as determined by the Committee, in its sole discretion;

2. During the Grantee’s employment or service with the Employer and for a period of 24 months thereafter, the Grantee breaches any of the following:

a. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates, and in which the Grantee was involved as part of the Grantee’s job responsibilities during the Grantee’s employment or service with the Employer, or in which the Grantee learned Company Trade

Secrets or Confidential Information during the Grantee's employment or service with the Employer; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive;

b. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) (x) solicit business from any person who was a customer of the Company or any of its subsidiaries or affiliates during the period of the Grantee's employment or service hereunder or who was within the six-month period prior to such solicitation, or (y) solicit potential customers who are or were identified through leads developed during the course of the Grantee's employment or service with the Employer, in each case, with whom the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or regarding whom the Grantee learned Company Trade Secrets and/or Confidential Information during the Grantee's employment or service with the Employer, or (II) otherwise divert or attempt to divert any existing business of the Company or any of its subsidiaries or affiliates; and

c. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment, or (II) hire or retain any person who is, or within the six-month period prior to such hiring or retention was, an employee of the Company or any of its subsidiaries or affiliates;

3. During the Grantee's employment or service with the Employer or thereafter, the Grantee uses, publishes or discloses any Company Trade Secrets and/or Confidential Information in any manner whatsoever, except as required in the conduct of business of the Company or any of its subsidiaries or affiliates or as authorized in writing by the Company or any of its subsidiaries or affiliates, as applicable. By accepting the Cash Award, the Grantee acknowledges and agrees that (A) during the Grantee's employment or service with the Employer, the Grantee has been or will be exposed to and/or provided with Company Trade Secrets and Confidential Information and (B) Company Trade Secrets are not generally known to the public or to competitors of the Company or its subsidiaries or affiliates, were developed or compiled at significant expense by the Company or its subsidiaries or affiliates over an extended period of time, are the subject of the reasonable efforts of the Company or its subsidiaries or affiliates to maintain their secrecy, and that the Company or its subsidiaries or affiliates derive significant independent economic value by keeping Company Trade Secrets a secret; or

4. During the Grantee's employment or service with the Employer or thereafter, the Grantee breaches any other written confidentiality, non-solicitation or non-competition covenant with the Employer.

viii. "Person" shall mean any individual, entity or group, including any "person" or "group" within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision.

Exhibit 10.2

2021 Long-Term Time-Based Cash Award

ARMSTRONG FLOORING, INC.  
2500 Columbia Ave., P.O. Box 3025  
Lancaster, PA 17604  
717.672.9611

—  
[Grantee Name]

I am pleased to inform you that the Company's Management Development and Compensation Committee granted you the following:

Date of Grant: April 1, 2021  
Time-Based Cash Award: [Cash Amount]

This grant is subject to the terms of this award agreement. The award agreement consists of this grant letter and the Terms and Conditions attached as Exhibit A.

Vesting - The Cash Award will vest on April 1, 2023, if you remain employed by the Employer through such vesting date, except as described below. The Cash Award is payable in a single lump sum cash payment (subject to applicable withholding for taxes).

Employment Events

The following chart is a summary of the provisions which apply to this award in connection with your termination of employment. The following is only a summary, and in the event of termination of employment, the award will be governed by the Terms and Conditions.

Event	Provisions
Voluntary Resignation	Forfeit the unvested Cash Award
Termination for Cause	Forfeit the unpaid (vested or unvested) Cash Award
Involuntary Termination	If termination occurs after 10 months following the Date of Grant, the Cash Award vests pro-rata based on the period of employment; otherwise unvested portion of Cash Award is forfeited
<input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	Cash Award vests pro-rata based on the period of employment
Involuntary Termination upon or within two years following a Change of Control	Cash Award vests in full upon termination of employment

In the event of any inconsistency between the foregoing summary and the Terms and Conditions, the Terms and Conditions will govern. Capitalized terms used but not defined in this grant letter

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will have the meanings set forth in the Terms and Conditions. **As described in the Terms and Conditions, if and to the extent that the terms of this award agreement conflict with the terms of a Change in Control Agreement or employment agreement between you and the Company, the terms of this award agreement shall supersede the terms of the Change in Control Agreement or employment agreement.**

**Please note that the Terms and Conditions contain restrictive covenant language pertaining to confidentiality, non-competition and non-solicitation. You should read these sections carefully before deciding whether to accept the Cash Award. If you decide not to accept the Cash Award, you will not be subject to the restrictive covenants set forth in the Terms and Conditions, but you will forfeit the Cash Award. You will continue to be subject to any restrictive covenants set forth in the 2016 Long-Term Incentive Plan with respect to any equity grants made to you under such plan and any restrictive covenants set forth in any other agreements between you and the Company. There will be no other consequences as a result of your decision not to accept the Cash Award.**

Please contact Steven Slutsky (484-744-9009) if you have questions.

Sincerely,

Michel Vermette  
President and Chief Executive Officer

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**EXHIBIT A**

**ARMSTRONG FLOORING, INC.**

**TIME-BASED CASH AWARD  
TERMS AND CONDITIONS**

1. Grant.

(a) Subject to the terms set forth below, Armstrong Flooring, Inc. (the “Company”) has granted to the designated employee (the “Grantee”) a time-based cash award (the “Cash Award”) as specified in the 2021 Long-Term Time-Based Cash Award Grant Letter to which these Grant Conditions relate (the “Grant Letter”). The “Date of Grant” is April 1, 2021. The Cash Award entitles the Grantee to receive a cash bonus payment from the Grantee’s employer subject to the terms set forth below.

(b) The Cash Award shall be vested and payable in accordance with the schedule set forth below, if and to the extent the terms of the Grant Letter and these Grant Conditions are met.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letter.

2. Vesting. Except as provided in Sections 3 and 4 below, the Cash Award shall vest on April 1, 2023, if the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively, the “Employer”) on such date (the “Vesting Date”):

3. Termination of Employment.

(a) Except as described below, if the Grantee ceases to be employed by the Employer for any reason prior to the Vesting Date, the unvested Cash Award shall be forfeited as of the termination date and shall cease to be outstanding.

(b) Subject to Section 4 below, if, prior to the Vesting Date, the Grantee ceases to be employed by the Employer (x) on account of death or Long-Term Disability (as defined below), or (y) after ten months following the Date of Grant, on account of Involuntary Termination (as defined below), the Grantee shall vest in a pro-rated portion of the granted Cash Award in accordance with this Section 3(b), provided such vesting does not result in a violation of any age discrimination or other applicable law. The pro-rated portion shall be determined by multiplying the amount of the Cash Award by a fraction, the numerator of which is the number of calendar months in the period starting with (i) the first calendar month following the month in which the Date of Grant occurs through (ii) the calendar month in which the Involuntary Termination date occurs, with such final calendar month counting as a full month, and the denominator of which is 24. The pro-rated Cash Award shall be paid within 60 days after the Grantee’s termination date, as described in Section 7. The unvested Cash Award, if any, shall be forfeited as of the termination date and shall cease to be outstanding.

(c) If the Grantee ceases to be employed by the Employer on account of Cause (as defined below), the unpaid Cash Award (vested or unvested) shall be forfeited as of the termination date and shall cease to be outstanding.

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4. Change in Control Involuntary Termination. Notwithstanding Section 3 above, if the Grantee has an Involuntary Termination upon or within two years after a Change in Control (as defined below), and prior to the Vesting Date, the Grantee's outstanding Cash Award shall become fully vested and shall be paid within 60 days after such Involuntary Termination, as described in Section 7. If the Grantee has a Change in Control Severance Agreement with the Company ("Change in Control Agreement"), on and after a Change in Control, the term "Involuntary Termination" shall have the meaning given a termination by the Company without Cause as defined in the Change in Control Agreement, and shall include without limitation a termination for Good Reason as defined in the Change in Control Agreement. **The Grantee agrees that, subject to the immediately preceding sentence, if and to the extent that these Grant Conditions conflict with the terms of the Change in Control Agreement or any employment agreement between the Company and the Grantee, these Grant Conditions shall supersede the provisions of the Change in Control Agreement and employment agreement applicable to vesting of cash awards on and after a Change in Control, notwithstanding anything in the Change in Control Agreement or employment agreement to the contrary.**

5. Definitions. For purposes of these Grant Conditions and the Grant Letter:

(a) "Cause" shall mean any of the following, as determined in the sole discretion of the Employer: (i) commission of a felony or a crime involving moral turpitude; (ii) fraud, dishonesty, misrepresentation, theft or misappropriation of funds with respect to the Employer; (iii) violation of the Employer's Code of Conduct or employment policies, as in effect from time to time; (iv) breach of any written noncompetition, confidentiality or non-solicitation covenant of the Grantee with respect to the Employer; or (v) gross negligence or misconduct in the performance of the Grantee's duties with the Employer.

(b) "Change in Control" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(c) "Company Trade Secrets" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(d) "Confidential Information" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(e) "Injurious Conduct" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(f) "Involuntary Termination" shall mean the Employer's termination of the Grantee's employment other than for Cause.

(g) "Long-Term Disability" shall mean the Grantee is receiving long-term disability benefits under the Employer's long-term disability plan.

6. Restrictive Covenants; Forfeiture.

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(a) The Management Development and Compensation Committee (the "Committee") may determine that the Cash Award shall be forfeited if the Grantee engages in Injurious Conduct.

(b) If the Committee determines that the Grantee has engaged in Injurious Conduct, the Committee may in its discretion require the Grantee to return to the Company the cash received in payment of the Cash Award.

(c) The Committee shall exercise the right of forfeiture and recoupment provided to the Company in this Section 6 within 180 days after the Company's discovery of the Injurious Conduct activities giving rise to the Company's right of forfeiture or recoupment.

(d) The Grantee may make a request to the Committee in writing for a determination regarding whether any proposed business or activity would constitute Injurious Conduct. Such request shall fully describe the proposed business or activity. The Committee shall respond to the Grantee in writing and the Committee's determination shall be limited to the specific business or activity so described.

(e) By accepting the Cash Award, the Grantee acknowledges and agrees that all Company Trade Secrets and Confidential Information developed, created or maintained by the Grantee, alone or with others, during the Grantee's employment or service with the Employer, shall remain at all times the sole property of the Company and its subsidiaries and affiliates.

(f) This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after the Grantee's termination or cessation of the Grantee's employment or service with the Employer. The Grantee understands that in the event of a violation of any provision of this Section 6, the Company shall have the right to seek injunctive relief, in addition to any other existing rights provided in this Agreement or by operation of law, without the requirement of posting bond. The remedies provided in this Section 6 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Grantee and the Company or any of its subsidiaries or affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of this Section 6 and Attachment 1 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.

(g) By accepting the Cash Award, the Grantee acknowledges that the Grantee has carefully read and considered the provisions of this Section 6 and Attachment 1 and agrees that the restrictions set forth herein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company and its subsidiaries and affiliates.

(h) In the event of a breach by the Grantee of any restrictive covenant set forth on Attachment 1, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company and its subsidiaries and affiliates shall receive the benefit of the Grantee's compliance with the terms and conditions of this Section 6.

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7. Payment. When the Cash Award (or portion thereof) vests, the Company shall cause the Grantee's employer to make a single lump sum cash payment to the Grantee, payable in local currency, equal to the amount of the vested Cash Award, subject to applicable withholding for Taxes (as defined below). Payment shall be made within 60 days after the applicable vesting date.
8. No Right to Continued Employment. The grant of the Cash Award shall not confer upon the Grantee any right to continued employment with the Employer or interfere with the right of the Employer to terminate the Grantee's employment at any time.
9. Administration by the Committee. The Cash Award, the Grant Letter and these Grant Conditions will be administered and interpreted by the Committee. The Committee may delegate authority to one or more subcommittees or individuals, as it deems appropriate. The Board of Directors of the Company (the "Board") may take all actions of the Committee under the Grant Letter and these Grant Conditions. To the extent that the Board, Committee, subcommittee or individual administers the Grant Letter and these Grant Conditions, references in the Grant Letter and these Grant Conditions to the "Committee" shall be deemed to refer to the Board, Committee, subcommittee or other individual. The Committee is authorized to establish such rules and regulations as it deems necessary for the proper administration of the Cash Award, the Grant Letter and these Grant Conditions and the Committee has sole discretionary authority to make such determinations and interpretations and to take such action in connection with the Grant Letter and these Grant Conditions and the Cash Award granted hereunder as it deems necessary or advisable. The Grantee's receipt of this Cash Award constitutes the Grantee's acknowledgement that all determinations and interpretations made by the Committee shall be binding and conclusive on the Grantee and any other person claiming an interest in the Cash Award.
10. Amendment and Waiver. No provisions of the Grant Letter and these Grant Conditions may be amended, modified, waived or discharged unless the amendment, waiver, modification, or discharge is authorized by the Committee; provided that the Grantee consents to such amendment, modification, waiver or discharge if it materially impairs the rights of the Grantee.
11. Withholding Taxes.
- (a) The Employer shall have the right, and the Grantee hereby authorizes the Employer, to deduct from all payments made hereunder and from other compensation an amount equal to the federal (including FICA), state, local and foreign taxes, social insurance, payroll tax, contributions, payment on account obligations or other amounts required by law to be collected, withheld or accounted for with respect to the Cash Award (the "Taxes").
- (b) Regardless of any action the Employer takes with respect to any such Taxes, the Grantee acknowledges that the ultimate liability for all such Taxes legally due by the Grantee is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Employer. The Grantee further acknowledges that the Employer (i) makes no representations or undertakings regarding the treatment of any Taxes in connection with any aspect of the Cash Award, including the grant, vesting or payment of the Cash Award; and (ii) does not commit to structure the terms of the grant or any aspect of the Cash Award to reduce or eliminate the Grantee's liability for Taxes. Further, if the Grantee has become subject to tax in more than one
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jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Employer (or the Grantee's former employer, as applicable) may be required to collect, withhold or account for Taxes in more than one jurisdiction.

12. Company Policies. All amounts payable under the Grant Letter and these Grant Conditions shall be subject to any applicable clawback or recoupment policies and other policies that may be implemented by the Company's Board of Directors from time to time.

13. Assignment. The Grant Letter and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Cash Award, except to a successor grantee in the event of the Grantee's death.

14. Unfunded Agreement. The Grant Letter and these Grant Conditions shall be unfunded, and the Grantee's rights under the Grant Letter and these Grant Conditions are those of a general creditor of the Company. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of the Cash Award under the Grant Letter and these Grant Conditions.

15. Section 409A. The Grant Letter and these Grant Conditions are intended to comply with the requirements of section 409A of the Code or an exemption (specifically, the short term deferral exemption of section 409A of the Code), and shall in all respects be administered in accordance with section 409A of the Code. Any payment made under the Grant Letter and these Grant Conditions shall only be made in a manner and upon an event permitted under Section 409A of the Code, including the application of the six-month delay if required.

16. Successors. The provisions of the Grant Letter and these Grant Conditions shall extend to any business that becomes a successor to the Company or its subsidiaries or affiliates on account of a merger, consolidation, sale of assets, spinoff or similar transaction with respect to any business of the Company or its subsidiaries or affiliates with which the Grantee is employed, and if this grant continues in effect after such corporate event, references to the "Company or its subsidiaries or affiliates" or the "Employer" in the Grant Letter and these Grant Conditions shall include the successor business and its affiliates, as appropriate. In that event, the Company may make such modifications to the Grant Letter and these Grant Conditions as it deems appropriate to reflect the corporate event.

17. Governing Law. The validity, construction, interpretation and effect of the Grant Letter and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the State of Delaware, excluding any conflicts or choice of law rule or principle.

18. No Entitlement or Claims for Compensation. In connection with the acceptance of the grant of the Cash Award under the Grant Letter and these Grant Conditions, the Grantee acknowledges the following:

(a) the Grant Letter and these Grant Conditions are established voluntarily by the Company and the grant of the Cash Award is made at the discretion of the Committee;

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(b) the grant of the Cash Award under the Grant Letter and these Grant Conditions is voluntary and occasional and does not create any contractual or other right to receive future grants of Cash Awards, or benefits in lieu of them, even if Cash Awards have been granted repeatedly in the past;

(c) all decisions with respect to future grants of Cash Awards, if any, will be at the sole discretion of the Committee;

(d) the Grantee is voluntarily accepting the Cash Award;

(e) the Cash Award and any payments thereunder are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Employer (including, as applicable, the Grantee's employer) and which are outside of the scope of the Grantee's employment contract, if any;

(f) the Cash Award and any payment thereunder are not to be considered part of the Grantee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the Cash Award and any payments thereunder are not intended to replace any pension rights or compensation;

(h) the grant of the Cash Award and the Grantee's acceptance of the Cash Award will not be interpreted to form an employment contract or relationship with the Employer; and

(i) the Grantee shall have no rights, claim or entitlement to compensation or damages as a result of the Grantee's cessation of employment (for any reason whatsoever, whether or not in breach of contract or local labor law or the terms of the Grantee's employment agreement, if any), insofar as these rights, claim or entitlement arise or may arise from the Grantee's ceasing to have rights under or be entitled to receive payment under or loss or diminution in value of the Cash Award as a result of such cessation, and the Grantee irrevocably releases the Employer from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then the Grantee shall be deemed to have irrevocably waived the Grantee's entitlement to pursue such rights or claim.

19. **Data Privacy.**

(a) **The Grantee hereby explicitly, willingly and unambiguously consents to the collection, systematization, accumulation, storage, blocking, destruction, use, disclosure and transfer, in electronic or other form, of the Grantee's personal data as described in these Grant Conditions by and among, as applicable, the Grantee's employer, the Company or its subsidiaries or affiliates for the exclusive purpose of implementing, administering and managing the Grantee's Cash Award.**

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(b) The Grantee understands that the Grantee's employer, the Company or its subsidiaries or affiliates, as applicable, hold certain personal information and sensitive personal information about the Grantee regarding the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's Cash Award, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or its subsidiaries or affiliates, details of all awards in the Grantee's favor, for the purpose of implementing, administering and managing the Cash Award (the "Data").

(c) The Grantee understands that the Data may be transferred, including any cross-border, transfer to the Company, its subsidiaries and affiliates and, to any third parties assisting in the implementation, administration and management of the Cash Award, that these recipients may be located in the Grantee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's Cash Award, including any requisite transfer of such Data as may be required to a broker or other third party. The Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's Cash Award. The Grantee understands that the Grantee may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to receive the Cash Award. For more information on the consequences of refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

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## **Attachment 1**

### **Definitions**

For purposes of the Grant Letter and Grant Conditions, the following terms have the meanings ascribed to them on this Attachment 1:

i. "Affiliate" shall mean with respect to any Person, any other Person that, at any time that a determination is made hereunder, directly or indirectly, controls, is controlled by, or is under common control with such first Person. For the purpose of this definition, "control" shall mean, as to any Person, the possession, directly or indirectly, of the power to elect or appoint a majority of directors (or other persons acting in similar capacities) of such Person or otherwise to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

i. "Beneficial Owner" and "Beneficially Own" shall have the meaning set forth in Rules 13d-3 and 13d-5 promulgated under the Exchange Act or any successor provision.

ii. "Change in Control" of the Company shall be deemed to have occurred if the event set forth in any one of the following sections shall have occurred:

1. any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 35% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (I) of subsection (iii) below;

2. the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

3. there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (I) a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof, or (II) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities

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acquired directly from the Company or its Affiliates) representing 35% or more of the combined voting power of the Company's then outstanding securities; or

4. the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred (i) by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions or (ii) by virtue of the consummation of a spin-off of any business line or business unit of the Company or a sale of (or similar transaction with respect to) all or substantially all of the assets that comprise a business line or business unit of the Company. The Committee may provide in a grant agreement for another definition of Change in Control, including as necessary to comply with Section 409A of the Code.

iii. "Code" shall mean Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

iv. "Company Trade Secrets" shall mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Company Trade Secrets include, but are not limited to, the following: unique pricing methodologies and formulas for products and services of the Company or its subsidiaries or affiliates; unique marketing arrangements and strategies which the Company or its subsidiaries or affiliates use with their vendors and suppliers; and unique advertising arrangements and strategies that the Company or its subsidiaries or affiliates use to advertise their products and services. For avoidance of doubt, Company Trade Secrets do not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

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v. "Confidential Information" shall mean information belonging to the Company or its subsidiaries or affiliates, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to the Grantee during his employment or service with the Employer and/or the Grantee has gained access to during the Grantee's employment or service with the Employer and/or was developed by the Grantee in the course of the Grantee's employment or service with the Employer, that is proprietary and confidential in nature. Confidential Information includes, but is not limited to, the following: information believed by the Company or any of its subsidiaries or affiliates to be a Company Trade Secret that ultimately does not qualify as such under applicable law but nonetheless was maintained by the Company or its subsidiaries or affiliates as confidential; information concerning the nature of the business and manner of operation of the Company and its subsidiaries and affiliates; the methods and systems used by the Company or its subsidiaries or affiliates in soliciting, selling and providing their services and/or products to their customers; financial and accounting information, such as cost, pricing and billing information, customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning customers and prospective customers of the Company and its subsidiaries and affiliates; information concerning vendors and suppliers of the Company and its subsidiaries and affiliates; customer lists; prospective customer lists; customer buying habits and special needs; policies and procedures; personnel records; compensation paid to employees or other service providers of the Company or any of its subsidiaries or affiliates. For avoidance of doubt, Confidential Information does not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

vi. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

vii. "Injurious Conduct" shall mean the activities described in subsections (i), (ii) (including any modifications of subsection (ii) for residents of California and Colorado and other applicable jurisdictions as set forth below), (iii) and (iv) below.

1. The Grantee's employment or service with the Employer is terminated for willful, deliberate, or gross misconduct, as determined by the Committee, in its sole discretion;

2. During the Grantee's employment or service with the Employer and either (1) for a period of 12 months thereafter or (2) for a period of 18 months thereafter if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., the Grantee breaches any of the following:

a. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business

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or activity engaged in by, the Company or any of its subsidiaries or affiliates, and in which the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or in which the Grantee learned Company Trade Secrets or Confidential Information during the Grantee's employment or service with the Employer; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive;

b. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) (x) solicit business from any person who was a customer of the Company or any of its subsidiaries or affiliates during the period of the Grantee's employment or service hereunder or who was within the six-month period prior to such solicitation, or (y) solicit potential customers who are or were identified through leads developed during the course of the Grantee's employment or service with the Employer, in each case, with whom the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or regarding whom the Grantee learned Company Trade Secrets and/or Confidential Information during the Grantee's employment or service with the Employer, or (II) otherwise divert or attempt to divert any existing business of the Company or any of its subsidiaries or affiliates; and

c. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment, or (II) hire or retain any person who is, or within the six-month period prior to such hiring or retention was, an employee of the Company or any of its subsidiaries or affiliates;

3. During the Grantee's employment or service with the Employer or thereafter, the Grantee uses, publishes or discloses any Company Trade Secrets and/or Confidential Information in any manner whatsoever, except as required in the conduct of business of the Company or any of its subsidiaries or affiliates or as authorized in writing by the Company or any of its subsidiaries or affiliates, as applicable. By accepting the Cash Award, the Grantee acknowledges and agrees that (A) during the Grantee's employment or service with the Employer, the Grantee has been or will be exposed to and/or provided with Company Trade Secrets and Confidential Information and (B) Company Trade Secrets are not generally known to the public or to competitors of the Company or its subsidiaries or affiliates, were developed or compiled at significant expense by the Company or its subsidiaries or affiliates over an extended period of time, are the subject of the reasonable efforts of the Company or its subsidiaries or affiliates to maintain their secrecy, and that the Company or its subsidiaries or affiliates derive significant independent economic value by keeping Company Trade Secrets a secret; or

4. During the Grantee's employment or service with the Employer or thereafter, the Grantee breaches any other written confidentiality, non-solicitation or non-competition covenant with the Employer.

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Notwithstanding the foregoing, if the Grantee is employed or provides services in Colorado, subsections (ii)(1) and (ii)(2) above shall be limited to actions taken by the Grantee through the use of Company Trade Secrets and/or Confidential Information.

Notwithstanding the foregoing, if the Grantee is employed or provides services in California, or in another jurisdiction where the provisions of subsection (ii), including (ii)(1), (ii)(2) and (ii)(3) above, are otherwise prohibited by law, the following provisions shall apply instead of subsection (ii), including (ii)(1), (ii)(2) and (ii)(3) above:

a. During the Grantee's employment or service with the Employer, the Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive.

b. During the Grantee's employment or service with the Employer and either (1) for a period of 12 months thereafter or (2) for a period of 18 months thereafter if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., the Grantee shall not, directly or indirectly, solicit or attempt to solicit any business from any of customers of the Company or any of its subsidiaries or affiliates for the purposes of providing products or services that are competitive with those provided by the Company or any of its subsidiaries or affiliates where such solicitation and/or attempt at solicitation is done by the Grantee through the use of Company Trade Secrets and/or Confidential Information.

c. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or any of its subsidiaries or affiliates, solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment.

viii. "Person" shall mean any individual, entity or group, including any "person" or "group" within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision.

Exhibit 10.3

**2021 Performance-Based Cash Award  
Performance Goal Based on Stock Price Hurdles**

ARMSTRONG FLOORING, INC.  
2500 Columbia Ave., P.O. Box 3025  
Lancaster, PA 17604  
717.672.9611

Company Confidential

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[Participant Name]

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I am pleased to inform you that the Company's Management Development and Compensation Committee granted you the following:

Date of Grant:	April 1, 2021
Performance Cash Award (" <u>Target Award</u> "): [ ]	
Maximum Performance Cash Award (" <u>Maximum Award</u> "): 200% of Target Award	
Performance Period (" <u>Performance Period</u> "): January 1, 2021 through the Measurement Date	

This award recognizes the importance of your role in achieving the Company's long-term strategy and is subject to the terms of the award agreement. The award agreement consists of this grant letter with the Performance Goal attached as Exhibit A and incorporated herein and the Terms and Conditions attached as Exhibit B.

The Performance Cash Award will be earned by achieving a Performance Goal based on Stock Price Hurdles, subject to your continued employment, as described in the Terms and Conditions. The Committee has established the Performance Goal set forth on Exhibit A, which allows you to earn up to the Maximum Award, subject to your continued employment as described in the Terms and Conditions.

To the extent the Performance Goal is achieved and you satisfy the employment requirements, you will receive a cash payment equal to the Performance Cash Award that is earned and vested following the conclusion of the Performance Period in accordance with the payment terms set forth in the Terms and Conditions. The Company will withhold any amounts necessary to satisfy your tax obligations unless prohibited by country law.

Employment Events

The following chart is a summary of the provisions which apply to this award in connection with your termination of employment. The following is only a summary, and in the event of termination of employment, the award will be governed by the Terms and Conditions.

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Event	Provisions
<input type="checkbox"/> Voluntary Resignation <input type="checkbox"/> Termination for Cause	The Performance Cash Award is forfeited.
Involuntary Termination Without Cause	If termination occurs after 10 months following the Date of Grant, then to the extent that the Performance Goal is achieved, the Performance Cash Award is earned pro-rata, based on the period of employment; otherwise the Performance Cash Award is forfeited.
<input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	To the extent that the Performance Goal is achieved, the Performance Cash Award is earned pro-rata, based on the period of employment.
After a Change in Control: <input type="checkbox"/> Involuntary Termination Without Cause <input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	The Performance Cash Award calculated upon the Change in Control is earned as described on <u>Exhibit A</u> .

In the event of any inconsistency between the foregoing summary and the Terms and Conditions, the Terms and Conditions will govern. Capitalized terms used but not defined in this grant letter will have the meanings set forth in the Terms and Conditions.

**Please note that the Terms and Conditions contain restrictive covenant language pertaining to confidentiality, non-competition and non-solicitation. You should read these sections carefully before deciding whether to accept the Performance Cash Award. If you decide not to accept the Performance Cash Award, you will not be subject to the restrictive covenants set forth in the Terms and Conditions, but you will forfeit the Performance Cash Award. You will continue to be subject to any restrictive covenants set forth in the 2016 Long-Term Incentive Plan with respect to any grants made to you under such plan and any restrictive covenants set forth in any other agreements between you and the Company. There will be no other consequences as a result of your decision not to accept the Performance Cash Award.**

Please contact Steven Slutsky (484-744-9009) if you have questions.

Sincerely,

Michel Vermette  
 President and Chief Executive Officer

*The information contained in this letter is confidential and any discussion, distribution or use of this information is prohibited.*

**Exhibit A**  
**Performance Goal**

**Stock Price Hurdles:** Stock Price Hurdle is defined as the average of the closing sale stock prices of one share of Company Stock over the 20 trading days following the date of the 2024 release of the fourth quarter and full year 2023 earnings results (such date is currently expected to occur in the first quarter of 2024), as determined by the Committee. The twentieth trading day following the 2024 release of the fourth quarter and full year 2023 earnings results is referred to as the

“Measurement Date.”

<b>Stock Price Hurdles Performance Scale</b>		
<b>Stock Price Hurdle</b>		<b>Payout</b>
Below \$XX		0%
\$XX		50%
\$XX		75%
\$XX		100%
\$XX or above		200%

Threshold level performance must be achieved in order to earn the Performance Cash Award for the Performance Goal. If actual performance is between performance levels and at least \$X.XX, the amount of the Performance Cash Award earned with respect to the Performance Goal will be interpolated on a straight line basis for pro-rata achievement for performance at or between performance levels.

**Change in Control:**

If a Change in Control occurs after the Date of Grant and prior to the end of the Performance Period, the amount of the Performance Cash Award earned with respect to the Stock Price Hurdles Performance Goal will be the Target Award.

The Committee reserves discretion to provide for accelerated vesting of the earned Performance Cash Award at a higher performance level.

**Exhibit B**

**ARMSTRONG FLOORING, INC.**

**PERFORMANCE-BASED CASH AWARD GRANT  
TERMS AND CONDITIONS**

1. Grant.

(a) Subject to the terms set forth below, Armstrong Flooring, Inc. (the “Company”) has granted to the designated employee (the “Grantee”) a performance-based cash award (the “Performance Cash Award”), as specified in the 2020 Long-Term Performance-Based Cash Award Grant Letter (including Exhibit A attached thereto) to which these Grant Conditions (as defined below) relate (the “Grant Letter”). The Grant Letter specifies a Target Award and a Maximum Award granted as of the Date of Grant, subject to restrictions as set forth herein. The “Date of Grant” is April 1, 2021.

(b) The Performance Cash Award shall be earned, vested and payable if and to the extent that the Stock Price Hurdles performance goal set forth in the Grant Letter (the “Performance Goal”), employment conditions and other terms of these Grant Conditions are met. The “Performance Period” for which the attainment of the Performance Goal will be measured is the period beginning January 1, 2021 and ending on the Measurement Date.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letter. Any terms not defined herein shall have the meanings set forth in the Grant Letter.

2. Performance Goal; Vesting.

(a) The Grantee shall earn and vest in an amount of the Performance Cash Award based on the attainment of the Performance Goal for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the “Employer”) through the Measurement Date. The Performance Cash Award shall be earned based on attainment of the Performance Goal and shall vest based on the Grantee’s continued employment through the Measurement Date, or as otherwise provided below.

(b) After the end of the Performance Period, the Management Development and Compensation Committee (the “Committee”) will determine whether and to what extent the Performance Goal has been met and the amount, if any, earned with respect to the Performance Cash Award. The Grantee can earn up to the Maximum Award based on attainment of the Performance Goal, as set forth in the Grant Letter. The earned and vested portion of the Performance Cash Award shall be payable as described in Section 6.

(c) If a Change in Control (as defined below) occurs prior to the end of the Performance Period, the amount earned with respect to the Performance Cash Award shall be determined as of the date of the Change in Control as described in the Grant Letter. The earned Performance Cash Award shall continue to vest based on the Grantee's continued employment through April 30, 2024, except as otherwise provided herein. The earned and vested portion of the Performance Cash Award shall be payable as described in Section 6. Notwithstanding the foregoing, if the Performance Cash Award does not remain outstanding following the Change in Control, the earned Performance Cash Award shall vest as of the date of the Change in Control, and such earned and vested portion of the Performance Cash Award shall be paid upon or within 10 days after the date of the Change in Control, subject to compliance with section 409A of the Code, if applicable, and as described in Section 15 below.

(d) Except as described below, no portion of the Performance Cash Award shall be earned prior to the Committee's determination of achievement of the Performance Goal, and to the extent that the Performance Goal is not attained, the Performance Cash Award shall be immediately forfeited and shall cease to be outstanding as of the date of the Committee's determination.

### 3. Termination of Employment.

(a) *General Rule.* Except as described below, if the Grantee ceases to be employed by the Employer for any reason prior to the Measurement Date, the Performance Cash Award shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *Involuntary Termination before a Change in Control.* If, before a Change in Control and after ten months following the Date of Grant but prior to the Measurement Date, the Grantee ceases to be employed by the Employer on account of Involuntary Termination (as defined below), the Grantee shall earn and vest in a pro-rated portion of the Performance Cash Award based on the extent to which the Performance Goal is achieved for the Performance Period, provided such vesting does not result in a violation of any age discrimination or other applicable law. In the event of a subsequent Change in Control prior to the end of the Performance Period, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letter. The pro-rated portion shall be determined by multiplying the amount of the Performance Cash Award earned based on attainment of the Performance Goal by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2021 through the Grantee's termination date, and the denominator of which is the number of months in the Performance Period and any partial month shall count as a full month for purposes of this calculation. In the event of a subsequent Change in Control prior to the end of the Performance Period, the denominator will be 40. The month in which the Grantee's termination date occurs shall count as a full month for purposes of this calculation. The pro-rated earned Performance Cash Award shall be paid as described in Section 6.

(c) *Death or Long-Term Disability before a Change in Control.* If, before a Change in Control, the Grantee ceases to be employed by the Employer prior to the Measurement Date on account of death or Long-Term Disability (as defined below), the Grantee shall earn and vest



in a pro-rated portion of the Performance Cash Award based on the extent to which the Performance Goal is achieved for the Performance Period. In the event of a subsequent Change in Control prior to the end of the Performance Period, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letter. The pro-rated portion shall be determined by multiplying the amount of the Performance Cash Award earned based on attainment of the Performance Goal by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2021 through the Grantee's termination date and the denominator of which is the number of months in the Performance Period and any partial month shall count as a full month for purposes of this calculation. In the event of a subsequent Change in Control prior to the end of the Performance Period, the denominator will be 40. The month in which the Grantee's termination date occurs shall count as a full month for purposes of this calculation. The pro-rated earned Performance Cash Award shall be paid as described in Section 6.

(d) *Involuntary Termination, Death and Long-Term Disability on or after a Change in Control.* If the Grantee's employment terminates on account of Involuntary Termination, death or Long-Term Disability on or after a Change in Control and prior to April 30, 2024, the Grantee shall vest in the portion of the Performance Cash Award earned as of the Change in Control date as described in the Grant Letter.

4. Definitions. For purposes of these Grant Conditions and the Grant Letter:

(a) "409A CIC" shall mean a Change in Control that meets the requirements of a "change in control event" as described under section 409A of the Code.

(b) "Cause" shall mean any of the following, as determined in the sole discretion of the Employer: (i) commission of a felony or a crime involving moral turpitude; (ii) fraud, dishonesty, misrepresentation, theft or misappropriation of funds with respect to the Employer; (iii) violation of the Employer's Code of Conduct or employment policies, as in effect from time to time; (iv) breach of any written noncompetition, confidentiality or non-solicitation covenant of the Grantee with respect to the Employer; (v) gross negligence or misconduct in the performance of the Grantee's duties with the Employer; or (vi) other statutory termination causes as provided under applicable laws in the jurisdiction in which the Grantee works.

(c) "Change in Control" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(d) "Company Trade Secrets" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(e) "Confidential Information" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(f) "Injurious Conduct" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(g) “Involuntary Termination” shall mean the Employer’s termination of the Grantee’s employment other than for Cause.

(h) “Long-Term Disability” shall mean the Grantee is receiving long-term disability benefits under the Employer’s long-term disability plan.

5. Restrictive Covenants; Forfeiture.

(a) The Committee may determine that the Performance Cash Award shall be forfeited if the Grantee engages in Injurious Conduct.

(b) If the Committee determines that the Grantee has engaged in Injurious Conduct, the Committee may in its discretion, to the extent permitted by applicable laws, require the Grantee to return to the Company any cash received in payment of the Performance Cash Award.

(c) The Committee shall exercise the right of forfeiture and recoupment provided to the Company in this Section 5 within 180 days after the Company’s discovery of the Injurious Conduct activities giving rise to the Company’s right of forfeiture or recoupment.

(d) The Grantee may make a request to the Committee in writing for a determination regarding whether any proposed business or activity would constitute Injurious Conduct. Such request shall fully describe the proposed business or activity. The Committee shall respond to the Grantee in writing and the Committee’s determination shall be limited to the specific business or activity so described.

(e) By accepting the Performance Cash Award, the Grantee acknowledges and agrees that all Company Trade Secrets and Confidential Information developed, created or maintained by the Grantee, alone or with others, during the Grantee’s employment or service with the Employer, shall remain at all times the sole property of the Company and its subsidiaries and affiliates.

(f) This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after the Grantee’s termination or cessation of the Grantee’s employment or service with the Employer. The Grantee understands that in the event of a violation of any provision of this Section 5, the Company shall have the right to seek injunctive relief, in addition to any other existing rights provided in this Agreement or by operation of law, without the requirement of posting bond. The remedies provided in this Section 5 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Grantee and the Company or any of its subsidiaries or affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of this Section 5 and Attachment 1 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.

(g) By accepting the Performance Cash Award, the Grantee acknowledges that the Grantee has carefully read and considered the provisions of this Section 5 and Attachment 1 and agrees that the restrictions set forth herein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company and its subsidiaries and affiliates.

(h) In the event of a breach by the Grantee of any restrictive covenant set forth on Attachment 1, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company and its subsidiaries and affiliates shall receive the benefit of the Grantee's compliance with the terms and conditions of this Section 5.

6. Payment.

(a) Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goal and other conditions to payment of the Performance Cash Award have been met, the Company shall cause the Grantee's employer to make a single lump sum cash payment to the Grantee, payable in local currency, equal to the earned and vested amount of the Performance Cash Award, subject to applicable withholding for Taxes (as defined below) and subject to compliance with section 409A of the Code, if applicable, and as described in Section 15 below. Payment of the earned and vested Performance Cash Award shall be made in 2024 as soon as practicable after the Committee certifies the extent to which the Performance Goal and other conditions to payment of the Performance Cash Award have been met, but not later than May 31, 2024, except as provided below. Any unpaid portion of the Performance Cash Award shall be forfeited in the event of termination for Cause.

(b) If the Grantee's employment terminates for any reason other than Cause upon or within two years after a Change in Control, the Grantee's unpaid earned and vested Performance Cash Award (if any) shall be paid within 60 days after the termination date, subject to compliance with section 409A of the Code, if applicable, and as described in Section 15 below. The Company shall cause the Grantee's employer to make a single lump sum cash payment to the Grantee, payable in local currency, equal to the earned and vested amount of the Performance Cash Award, subject to applicable withholding for Taxes.

7. No Right to Continued Employment. The grant of the Performance Cash Award shall not confer upon the Grantee any right to continued employment with the Employer or interfere with the right of the Employer to terminate the Grantee's employment at any time.

8. Adjustments. The Committee may make such adjustments to the Performance Goal as the Committee deems appropriate in its sole discretion in the event of a change in corporate capitalization, a corporate transaction or as the Committee otherwise deems appropriate to preclude any substantial reduction or enlargement of the rights granted to, or available for, the Grantee, or to warrant the intended operation of the Performance Cash Award, the Grant Letter and these Grant Conditions. The Company shall give the Grantee notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

9. Administration by the Committee. The Performance Cash Award, the Grant Letter and these Grant Conditions will be administered and interpreted by the Committee. The Committee may delegate authority to one or more subcommittees or individuals, as it deems appropriate. The Board of Directors of the Company (the "Board") may take all actions of the Committee under the Grant Letter and these Grant Conditions. To the extent that the Board, Committee, subcommittee or individual administers the Grant Letter and these Grant Conditions, references in the Grant Letter and these Grant Conditions to the "Committee" shall be deemed to refer to the Board, Committee, subcommittee or other individual. The Committee is authorized to establish such rules and regulations as it deems necessary for the proper administration of the Performance Cash Award, the Grant Letter and these Grant Conditions and the Committee has sole discretionary authority to make such determinations and interpretations and to take such action in connection with the Grant Letter and these Grant Conditions and the Performance Cash Award granted hereunder as it deems necessary or advisable. The Grantee's receipt of this Performance Cash Award constitutes the Grantee's acknowledgement that all determinations and interpretations made by the Committee shall be binding and conclusive on the Grantee and any other person claiming an interest in the Performance Cash Award.

10. Amendment and Waiver. No provisions of the Grant Letter and these Grant Conditions may be amended, modified, waived or discharged unless the amendment, waiver, modification, or discharge is authorized by the Committee; provided that the Grantee consents to such amendment, modification, waiver or discharge if it materially impairs the rights of the Grantee.

11. Withholding Taxes.

(a) The Employer shall have the right, and the Grantee hereby authorizes the Employer, to deduct from all payments made hereunder and from other compensation an amount equal to the federal (including FICA), state, local and foreign taxes, social insurance, payroll tax, contributions, payment on account obligations or other amounts required by law to be collected, withheld or accounted for with respect to the Performance Cash Award (the "Taxes").

(b) Regardless of any action the Employer takes with respect to any such Taxes, the Grantee acknowledges that the ultimate liability for all such Taxes legally due by the Grantee is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Employer. The Grantee further acknowledges that the Employer (i) makes no representations or undertakings regarding the treatment of any Taxes in connection with any aspect of the Performance Cash Award, including the grant, vesting or payment of the Performance Cash Award; and (ii) does not commit to structure the terms of the grant or any aspect of the Performance Cash Award to reduce or eliminate the Grantee's liability for Taxes. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Employer (or the Grantee's former employer, as applicable) may be required to collect, withhold or account for Taxes in more than one jurisdiction.

12. Company Policies. All amounts payable under the Grant Letter and these Grant Conditions shall be subject to any applicable clawback or recoupment policies and other policies that may be implemented by the Company's Board of Directors from time to time.

13. Assignment. The Grant Letter and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Performance Cash Award, except to a successor grantee in the event of the Grantee's death.

14. Unfunded Agreement. The Grant Letter and these Grant Conditions shall be unfunded, and the Grantee's rights under the Grant Letter and these Grant Conditions are those of a general creditor of the Company. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of the Performance Cash Award under the Grant Letter and these Grant Conditions.

15. Section 409A. The Grant Letter and these Grant Conditions shall be construed and administered such that the Performance Cash Award either (i) qualifies for an exemption from the requirements of Section 409A of the Code or (ii) satisfies the requirements of Section 409A of the Code. If the Performance Cash Award is subject to Section 409A of the Code, (A) distribution shall only be made in a manner and upon an event permitted under Section 409A of the Code, (B) payments to be made upon a termination of employment shall only be made upon a "separation from service" under Section 409A of the Code, and (C) in no event shall the Grantee, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. Payment of the earned and vested portion of the Performance Cash Award shall be made as set forth in Section 2(c) or Section 6(b), as applicable, if the Change in Control is a 409A CIC (as defined above) to the extent required under section 409A of the Code and if permitted by the plan termination provisions of the regulations under section 409A of the Code. If payment in connection with a Change in Control is not permitted under section 409A of the Code, the earned and vested portion of the Performance Cash Award shall be payable as described in Section 6(a). Any Performance Cash Award that is subject to Section 409A of the Code and that is to be distributed to a key employee upon separation from service shall be administered so that any distribution with respect to such Performance Cash Award shall be postponed for six months following the date of the Grantee's separation from service, if required by Section 409A of the Code. If a distribution is delayed pursuant to Section 409A of the Code, the distribution shall be paid within 30 days after the end of the six-month period. If the Grantee dies during such six-month period, any postponed amounts shall be paid within 90 days of the Grantee's death. The determination of key employees, including the number and identity of persons considered key employees and the identification date, shall be made by the Committee or its delegate each year in accordance with Section 416(i) of the Code and the "specified employee" requirements of Section 409A of the Code.

16. Successors. The provisions of the Grant Letter and these Grant Conditions shall extend to any business that becomes a successor to the Company or its subsidiaries or affiliates on account of a merger, consolidation, sale of assets, spinoff or similar transaction with respect to any business of the Company or its subsidiaries or affiliates with which the Grantee is employed, and if this grant continues in effect after such corporate event, references to the "Company or its subsidiaries or affiliates" or the "Employer" in the Grant Letter and these Grant Conditions shall include the successor business and its affiliates, as appropriate. In that event, the Company may

make such modifications to the Grant Letter and these Grant Conditions as it deems appropriate to reflect the corporate event.

17. Governing Law. The validity, construction, interpretation and effect of the Grant Letter and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the State of Delaware, excluding any conflicts or choice of law rule or principle.

18. No Entitlement or Claims for Compensation. In connection with the acceptance of the grant of the Performance Cash Award under the Grant Letter and these Grant Conditions, the Grantee acknowledges the following:

(a) the Grant Letter and these Grant Conditions are established voluntarily by the Company and the grant of the Performance Cash Award is made at the discretion of the Committee;

(b) the grant of the Performance Cash Award under the Grant Letter and these Grant Conditions is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Cash Awards, or benefits in lieu of them, even if Performance Cash Awards have been granted repeatedly in the past;

(c) all decisions with respect to future grants of Performance Cash Awards, if any, will be at the sole discretion of the Committee;

(d) the Grantee is voluntarily accepting the Performance Cash Award;

(e) the Performance Cash Award and any payments thereunder are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Employer (including, as applicable the Grantee's employer) and which are outside of the scope of the Grantee's employment contract, if any;

(f) the Performance Cash Award and any payments thereunder are not to be considered part of the Grantee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the Performance Cash Award and any payments thereunder are not intended to replace any pension rights or compensation;

(h) the grant of the Performance Cash Award and the Grantee's acceptance of the Cash Award will not be interpreted to form an employment contract or relationship with the Employer; and

(i) the Grantee shall have no rights, claim or entitlement to compensation or damages as a result of the Grantee's cessation of employment (for any reason whatsoever, whether or not in breach of contract or local labor law or the terms of the Grantee's employment agreement, if any), insofar as these rights, claim or entitlement arise or may arise from the Grantee's ceasing to have rights under or be entitled to receive payment under or loss or diminution in value of the Performance Cash Award as a

result of such cessation, and the Grantee irrevocably releases the Employer from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then the Grantee shall be deemed to have irrevocably waived the Grantee's entitlement to pursue such rights or claim.

19. **Data Privacy.**

(a) **The Grantee hereby explicitly, willingly and unambiguously consents to the collection, systematization, accumulation, storage, blocking, destruction, use, disclosure and transfer, in electronic or other form, of the Grantee's personal data as described in these Grant Conditions by and among, as applicable, the Grantee's employer, the Company or its subsidiaries or affiliates for the exclusive purpose of implementing, administering and managing the Grantee's Performance Cash Award.**

(b) **The Grantee understands that the Grantee's employer, the Company or its subsidiaries or affiliates, as applicable, hold certain personal information and sensitive personal information about the Grantee regarding the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's Performance Cash Award, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or its subsidiaries or affiliates, details of all awards in the Grantee's favor, for the purpose of implementing, administering and managing the Performance Cash Award (the "Data").**

(c) **The Grantee understands that the Data may be transferred, including any cross-border, transfer to the Company, its subsidiaries and affiliates and, to any third parties assisting in the implementation, administration and management of the Performance Cash Award, that these recipients may be located in the Grantee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's Performance Cash Award, including any requisite transfer of such Data as may be required to a broker or other third party. The Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's Performance Cash Award. The Grantee understands that the Grantee may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to receive the Performance Cash Award. For more information on the consequences of refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.**

\* \* \*



## Attachment 1

### **Definitions**

For purposes of the Grant Letter and Grant Conditions, the following terms have the meanings ascribed to them on this Attachment 1:

i. "Affiliate" shall mean with respect to any Person, any other Person that, at any time that a determination is made hereunder, directly or indirectly, controls, is controlled by, or is under common control with such first Person. For the purpose of this definition, "control" shall mean, as to any Person, the possession, directly or indirectly, of the power to elect or appoint a majority of directors (or other persons acting in similar capacities) of such Person or otherwise to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

ii. "Beneficial Owner" and "Beneficially Own" shall have the meaning set forth in Rules 13d-3 and 13d-5 promulgated under the Exchange Act or any successor provision.

iii. "Change in Control" of the Company shall be deemed to have occurred if the event set forth in any one of the following sections shall have occurred:

1. any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 35% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (I) of subsection (iii) below;

2. the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

3. there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (I) a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof, or (II) a merger or

consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 35% or more of the combined voting power of the Company's then outstanding securities; or

4. the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred (i) by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions or (ii) by virtue of the consummation of a spin-off of any business line or business unit of the Company or a sale of (or similar transaction with respect to) all or substantially all of the assets that comprise a business line or business unit of the Company. The Committee may provide in a grant agreement for another definition of Change in Control, including as necessary to comply with Section 409A of the Code.

iv. "Code" shall mean Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

v. "Company Trade Secrets" shall mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Company Trade Secrets include, but are not limited to, the following: unique pricing methodologies and formulas for products and services of the Company or its subsidiaries or affiliates; unique marketing arrangements and strategies which the Company or its subsidiaries or affiliates use with their vendors and suppliers; and unique advertising arrangements and strategies that the Company or its subsidiaries or affiliates use to advertise their products and services. For avoidance of doubt, Company Trade Secrets do not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the

Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

vi. "Confidential Information" shall mean information belonging to the Company or its subsidiaries or affiliates, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to the Grantee during his employment or service with the Employer and/or the Grantee has gained access to during the Grantee's employment or service with the Employer and/or was developed by the Grantee in the course of the Grantee's employment or service with the Employer, that is proprietary and confidential in nature. Confidential Information includes, but is not limited to, the following: information believed by the Company or any of its subsidiaries or affiliates to be a Company Trade Secret that ultimately does not qualify as such under applicable law but nonetheless was maintained by the Company or its subsidiaries or affiliates as confidential; information concerning the nature of the business and manner of operation of the Company and its subsidiaries and affiliates; the methods and systems used by the Company or its subsidiaries or affiliates in soliciting, selling and providing their services and/or products to their customers; financial and accounting information, such as cost, pricing and billing information, customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning customers and prospective customers of the Company and its subsidiaries and affiliates; information concerning vendors and suppliers of the Company and its subsidiaries and affiliates; customer lists; prospective customer lists; customer buying habits and special needs; policies and procedures; personnel records; compensation paid to employees or other service providers of the Company or any of its subsidiaries or affiliates. For avoidance of doubt, Confidential Information does not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

vii. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

viii. "Injurious Conduct" shall mean the activities described in subsections (i), (ii), (iii), (iv) and (v) below.

a. The Grantee's employment or service with the Employer is terminated for willful, deliberate, or gross misconduct, as determined by the Committee, in its sole discretion;

b. During the Grantee's employment or service with the Employer, the Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the

Company or any of its subsidiaries or affiliates, and in which the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or in which the Grantee learned Company Trade Secrets or Confidential Information during the Grantee's employment or service with the Employer; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive;

c. During the Grantee's employment or service with the Employer and for a period of 12 months thereafter, the Grantee breaches any one of the following:

1) The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) (x) solicit business from any person who was a customer of the Company or any of its subsidiaries or affiliates during the period of the Grantee's employment or service hereunder or who was within the six-month period prior to such solicitation, or (y) solicit potential customers who are or were identified through leads developed during the course of the Grantee's employment or service with the Employer, in each case, with whom the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or regarding whom the Grantee learned Company Trade Secrets and/or Confidential Information during the Grantee's employment or service with the Employer, or (II) otherwise divert or attempt to divert any existing business of the Company or any of its subsidiaries or affiliates; and

2) The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment, or (II) hire or retain any person who is, or within the six-month period prior to such hiring or retention was, an employee of the Company or any of its subsidiaries or affiliates;

d. During the Grantee's employment or service with the Employer or thereafter, the Grantee uses, publishes or discloses any Company Trade Secrets and/or Confidential Information in any manner whatsoever, except as required in the conduct of business of the Company or any of its subsidiaries or affiliates or as authorized in writing by the Company or any of its subsidiaries or affiliates, as applicable. By accepting the Performance Cash Award, the Grantee acknowledges and agrees that (A) during the Grantee's employment or service with the Employer, the Grantee has been or will be exposed to and/or provided with Company Trade Secrets and Confidential Information and (B) Company Trade Secrets are not generally known to the public or to competitors of the Company or its subsidiaries or affiliates, were developed or compiled at significant expense by the Company or its subsidiaries or affiliates over an extended period of time, are the subject of the reasonable efforts of the Company or its subsidiaries or affiliates to maintain their secrecy, and that the Company or its subsidiaries or affiliates derive significant independent economic value by keeping Company Trade Secrets a secret; or

e. During the Grantee's employment or service with the Employer or thereafter, the Grantee breaches any other written confidentiality, non-solicitation or non-competition covenant with the Employer.

ix. "Person" shall mean any individual, entity or group, including any "person" or "group" within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision.

Exhibit 10.4

**2021 Long-Term Performance-Based Restricted Stock Unit Grant  
Performance Goal Based on Stock Price Hurdles**

ARMSTRONG FLOORING, INC.  
2500 Columbia Ave., P.O. Box 3025  
Lancaster, PA 17604  
717.672.9611

Company Confidential

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[Participant Name]

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I am pleased to inform you that the Company's Management Development and Compensation Committee granted you the following:

Date of Grant:	April 1, 2021
Performance Units (" <u>Target Award</u> "): [ ]	
Maximum Performance Units (" <u>Maximum Award</u> "): 125% of Target Award	
Performance Period (" <u>Performance Period</u> "): January 1, 2021 through the Measurement Date	

This award recognizes the importance of your role in achieving the Company's long-term strategy and is subject to the terms of the 2016 Long-Term Incentive Plan and the award agreement. The award agreement consists of this grant letter with the Performance Goal attached as Exhibit A and incorporated herein and the Terms and Conditions attached as Exhibit B.

The Performance Units will be earned by achieving a Performance Goal based on Stock Price Hurdles, subject to your continued employment, as described in the Terms and Conditions. The Committee has established the Performance Goal set forth on Exhibit A, which allows you to earn up to the Maximum Award, subject to your continued employment as described in the Terms and Conditions.

To the extent the Performance Goal is achieved and you satisfy the employment requirements, a number of shares of Company Stock equal to the Performance Units that are earned and vested will be distributed to you following the conclusion of the Performance Period in accordance with the payment terms set forth in the Terms and Conditions, subject to the holding requirements set forth in the Terms and Conditions. The Company will withhold shares to satisfy your tax obligations unless you provide a payment to cover the tax withholding obligation. You have no ownership or voting rights relative to the Performance Units.

If the Company makes cash dividend payments during the Performance Period, the value of the dividends on shares attributable to the Performance Units will accrue as dividend equivalents in a non-interest bearing bookkeeping account. You will receive a cash payment equal to the accrued dividend equivalents

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at the end of the Performance Period, adjusted for the number of Performance Units that become earned and vested.

Employment Events

The following chart is a summary of the provisions which apply to this award in connection with your termination of employment. The following is only a summary, and in the event of termination of employment, the award will be governed by the Terms and Conditions.

Event	Provisions
<input type="checkbox"/> Voluntary Resignation <input type="checkbox"/> Termination for Cause	All Performance Units and accrued dividend equivalents are forfeited.
Involuntary Termination Without Cause	If termination occurs after 10 months following the Date of Grant, then to the extent that the Performance Goal is achieved, Performance Units and accrued dividend equivalents are earned pro-rata, based on the period of employment; otherwise the Performance Units and accrued dividend equivalents are forfeited.
<input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	To the extent that the Performance Goal is achieved, Performance Units and accrued dividend equivalents are earned pro-rata, based on the period of employment.
After a Change in Control: <input type="checkbox"/> Involuntary Termination Without Cause <input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	Performance Units calculated upon the Change in Control and accrued dividend equivalents are earned as described on <u>Exhibit A</u> .

In the event of any inconsistency between the foregoing summary and the Terms and Conditions or the 2016 Long-Term Incentive Plan, the Terms and Conditions or the 2016 Long-Term Incentive Plan, as applicable, will govern. Capitalized terms used but not defined in this grant letter will have the meanings set forth in the 2016 Long-Term Incentive Plan or the Terms and Conditions, as applicable. **As described in the Terms and Conditions, if and to the extent that the terms of this award agreement conflict with the terms of a Change in Control Agreement or employment agreement between you and the Company, the terms of this award agreement shall supersede the terms of the Change in Control Agreement or employment agreement.**

**Please note that the Terms and Conditions contain restrictive covenant language pertaining to confidentiality, non-competition and non-solicitation. You should read these sections carefully before deciding whether to accept the Performance Units. If you decide not to accept the Performance Units, you will not be subject to the restrictive covenants set forth in the Terms and**

**Conditions, but you will forfeit the Performance Units. You will continue to be subject to any restrictive covenants set forth in the 2016 Long-Term Incentive Plan with respect to prior equity grants and any other agreements between you and the Company. There will be no other consequences as a result of your decision not to accept the Performance Units.**

Please contact Steven Slutsky (484-744-9009) if you have questions.

Sincerely,

John C. Bassett  
SVP &CHRO

*The information contained in this letter is confidential and any discussion, distribution or use of this information is prohibited.*



**Exhibit A**  
**Performance Goal**

**Stock Price Hurdles:** Stock Price Hurdle is defined as the average of the closing sale stock prices of one share of Company Stock over the 20 trading days following the date of the 2024 release of the fourth quarter and full year 2023 earnings results (such date is currently expected to occur in the first quarter of 2024), as determined by the Committee. The twentieth trading day following the 2024 release of the fourth quarter and full year 2023 earnings results is referred to as the “Measurement Date.”

<b>Stock Price Hurdles Performance Scale</b>		
<b>Stock Price Hurdle</b>		<b>Payout</b>
Below \$XX		0%
\$XX		50%
\$XX		75%
\$XX		100%
\$XX or above		125%

Threshold level performance must be achieved in order to earn any Performance Units for the Performance Goal. If actual performance is between performance levels and at least \$XX, the number of Performance Units earned with respect to the Performance Goal will be interpolated on a straight line basis for pro-rata achievement for performance at or between performance levels. If the Performance Goal would produce fractional units, the number of Performance Units earned shall be rounded up to the nearest whole unit, but not in excess of the Maximum Award.

**Change in Control:**

If a Change in Control occurs after the Date of Grant and prior to the end of the Performance Period, the number of Performance Units earned with respect to the Stock Price Hurdles Performance Goal will be the Target Award.

The Committee reserves discretion to provide for accelerated vesting of the earned Performance Units at a higher performance level pursuant to Section 14(b) of the Plan.

**Exhibit B**

**ARMSTRONG FLOORING, INC.**

**2016 LONG-TERM INCENTIVE PLAN**

**PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT  
TERMS AND CONDITIONS**

**1. Grant.**

(a) Subject to the terms set forth below, Armstrong Flooring, Inc. (the “Company”) has granted to the designated employee (the “Grantee”) an award of performance-based restricted stock units (the “Performance Units”), as specified in the 2016 Long-Term Performance-Based Restricted Stock Unit Grant Letter (including Exhibit A attached thereto) to which these Grant Conditions (as defined below) relate (the “Grant Letter”). The Grant Letter specifies a Target Award and a Maximum Award granted as of the Date of Grant, subject to restrictions as set forth herein. The “Date of Grant” is April 1, 2021. The Performance Units are Stock Units with respect to common stock of the Company (“Company Stock”).

(b) The Performance Units shall be earned, vested and payable if and to the extent that the Stock Price Hurdles performance goal set forth in the Grant Letter (the “Performance Goal”), employment conditions and other terms of these Grant Conditions are met. The “Performance Period” for which the attainment of the Performance Goal will be measured is the period beginning January 1, 2021 and ending on the Measurement Date.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letter. This grant is made under the Armstrong Flooring, Inc. 2016 Long-Term Incentive Plan (the “Plan”). Any terms not defined herein shall have the meanings set forth in the Plan.

**2. Performance Goal; Vesting.**

(a) The Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goal for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the “Employer”) through the Measurement Date. The Performance Units shall be earned based on attainment of the Performance Goal and shall vest based on the Grantee’s continued employment through the Measurement Date, or as otherwise provided below.

(b) After the end of the Performance Period, the Management Development and Compensation Committee (the “Committee”) will determine whether and to what extent the Performance Goal has been met and the amount, if any, earned with respect to the Performance Units. The Grantee can earn up to the Maximum Award based on attainment of the Performance

Goal, as set forth in the Grant Letter. Earned and vested Performance Units shall be payable as described in Section 6.

(c) If a Change in Control occurs prior to the end of the Performance Period, the amount earned with respect to the Performance Units shall be determined as of the date of the Change in Control as described in the Grant Letter. The earned Performance Units shall continue to vest based on the Grantee's continued employment through April 30, 2024, except as otherwise provided herein. Earned and vested Performance Units shall be payable as described in Section 6. Notwithstanding the foregoing, if the Performance Units are not assumed by, or replaced by substantially identical grants by, the successor company in the Change in Control, the earned Performance Units shall vest as of the date of the Change in Control, and such earned and vested Performance Units shall be paid upon or within 10 days after the date of the Change in Control if the Change in Control is a 409A CIC (as defined below) and if permitted by the plan termination provisions of the regulations under section 409A of the Code. If payment at the date of the Change in Control is not permitted under section 409A, the earned and vested Performance Units shall be payable as described in Section 6.

(d) Except as described below, no Performance Units shall be earned prior to the Committee's determination of achievement of the Performance Goal, and to the extent that the Performance Goal is not attained, the Performance Units shall be immediately forfeited and shall cease to be outstanding as of the date of the Committee's determination.

### 3. Termination of Employment.

(a) *General Rule.* Except as described below, if the Grantee ceases to be employed by the Employer for any reason prior to the Measurement Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *Involuntary Termination before a Change in Control.* If, before a Change in Control and after ten months following the Date of Grant but prior to the Measurement Date, the Grantee ceases to be employed by the Employer on account of Involuntary Termination (as defined below), the Grantee shall earn and vest in a pro-rated portion of the outstanding Performance Units based on the extent to which the Performance Goal is achieved for the Performance Period. In the event of a subsequent Change in Control prior to the end of the Performance Period, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letter. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goal by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2021 through the Grantee's termination date, and the denominator of which is the number of months in the Performance Period and any partial month shall count as a full month for purposes of this calculation. In the event of a subsequent Change in Control prior to the end of the Performance Period, the denominator will be 40. The month in which the Grantee's termination date occurs shall count as a full month for purposes of this calculation. The pro-rated earned Performance Units shall be paid as described in Section 6.

(c) *Death or Long-Term Disability before a Change in Control.* If, before a Change in Control, the Grantee ceases to be employed by the Employer prior to the Measurement Date on account of death or Long-Term Disability (as defined below), the Grantee shall earn and vest in a pro-rated portion of the outstanding Performance Units based on the extent to which the Performance Goal is achieved for the Performance Period. In the event of a subsequent Change in Control prior to the end of the Performance Period, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letter. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goal by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2021 through the Grantee's termination date and the denominator of which is the number of months in the Performance Period and any partial month shall count as a full month for purposes of this calculation. In the event of a subsequent Change in Control prior to the end of the Performance Period, the denominator will be 40. The month in which the Grantee's termination date occurs shall count as a full month for purposes of this calculation. The pro-rated earned Performance Units shall be paid as described in Section 6.

(d) *Involuntary Termination, Death and Long-Term Disability on or after a Change in Control.* If the Grantee's employment terminates on account of Involuntary Termination, death or Long-Term Disability on or after a Change in Control and prior to April 30, 2024, the Grantee shall vest in the Performance Units earned as of the Change in Control date as described in the Grant Letter. If the Grantee has a Change in Control Severance Agreement with the Company ("Change in Control Agreement"), on and after a Change in Control, the term "Involuntary Termination" shall have the meaning given a termination by the Company without Cause as defined in the Change in Control Agreement, and shall include without limitation a termination for Good Reason as defined in the Change in Control Agreement. **The Grantee agrees that, subject to the immediately preceding sentence, if and to the extent that these Grant Conditions conflict with the terms of the Change in Control Agreement or any employment agreement between the Company and the Grantee, these Grant Conditions shall supersede the provisions of the Change in Control Agreement and employment agreement applicable to vesting of performance units on and after a Change in Control, notwithstanding anything in the Change in Control Agreement or employment agreement to the contrary.**

4. Definitions. For purposes of these Grant Conditions and the Grant Letter:

(a) "409A CIC" shall mean a Change in Control that meets the requirements of a "change in control event" as described under section 409A of the Code.

(b) "Cause" shall mean any of the following, as determined in the sole discretion of the Employer: (i) commission of a felony or a crime involving moral turpitude; (ii) fraud, dishonesty, misrepresentation, theft or misappropriation of funds with respect to the Employer; (iii) violation of the Employer's Code of Conduct or employment policies, as in effect from time to time; (iv) breach of any written noncompetition, confidentiality or non-solicitation covenant of

the Grantee with respect to the Employer; or (v) gross negligence or misconduct in the performance of the Grantee's duties with the Employer.

- (c) "Company Trade Secrets" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (d) "Confidential Information" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (e) "Injurious Conduct" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (f) "Involuntary Termination" shall mean the Employer's termination of the Grantee's employment other than for Cause.
- (g) "Long-Term Disability" shall mean the Grantee is receiving long-term disability benefits under the Employer's long-term disability plan.

5. Restrictive Covenants; Forfeiture.

- (a) The Committee may determine that the Performance Units shall be forfeited if the Grantee engages in Injurious Conduct.
- (b) If the Committee determines that the Grantee has engaged in Injurious Conduct, the Committee may in its discretion require the Grantee to return to the Company any Company Stock or cash received in settlement of Performance Units. If the Company Stock acquired in settlement of the Performance Units has been disposed of by the Grantee, then the Company may require the Grantee to pay to the Company the economic value of the Company Stock as of the date of disposition.
- (c) The Committee shall exercise the right of forfeiture and recoupment provided to the Company in this Section 5 within 180 days after the Company's discovery of the Injurious Conduct activities giving rise to the Company's right of forfeiture or recoupment.
- (d) The Grantee may make a request to the Committee in writing for a determination regarding whether any proposed business or activity would constitute Injurious Conduct. Such request shall fully describe the proposed business or activity. The Committee shall respond to the Grantee in writing and the Committee's determination shall be limited to the specific business or activity so described.
- (e) By accepting the Performance Units, the Grantee acknowledges and agrees that all Company Trade Secrets and Confidential Information developed, created or maintained by the Grantee, alone or with others, during the Grantee's employment or service with the Employer, shall remain at all times the sole property of the Company and its subsidiaries and affiliates.

(f) This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after the Grantee's termination or cessation of the Grantee's employment or service with the Employer. The Grantee understands that in the event of a violation of any provision of this Section 5, the Company shall have the right to seek injunctive relief, in addition to any other existing rights provided in this Agreement or by operation of law, without the requirement of posting bond. The remedies provided in this Section 5 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Grantee and the Company or any of its subsidiaries or affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of this Section 5 and Attachment 1 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.

(g) By accepting the Performance Units, the Grantee acknowledges that the Grantee has carefully read and considered the provisions of this Section 5 and Attachment 1 and agrees that the restrictions set forth herein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company and its subsidiaries and affiliates.

(h) In the event of a breach by the Grantee of any restrictive covenant set forth on Attachment 1, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company and its subsidiaries and affiliates shall receive the benefit of the Grantee's compliance with the terms and conditions of this Section 5.

#### 6. Payment.

i. Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goal and other conditions to payment of the Performance Units have been met, the Company shall issue shares of Company Stock to the Grantee equal to the number of earned and vested Performance Units, subject to applicable tax withholding and subject to compliance with section 409A of the Code and as described in Section 20(h) of the Plan. Payment of earned and vested Performance Units shall be made in 2024 as soon as practicable after the Committee certifies the extent to which the Performance Goal and other conditions to payment of the Performance Units have been met, but not later than May 31, 2024, except as provided below. All unpaid Performance Units shall be forfeited in the event of termination for Cause.

ii. If the Grantee's employment terminates for any reason other than Cause upon or within two years after a Change in Control that meets the requirements of a 409A CIC, the Grantee's unpaid earned and vested Performance Units (if any) shall be paid within 60 days after the termination date, subject to compliance with section 409A of the Code, if applicable, and as described in Section 20(h) of the Plan. The Company shall issue shares of Company Stock to the Grantee equal to the number of the earned and vested Performance Units, subject to applicable tax withholding. If a Change in Control does not meet the requirements of a 409A CIC, the

Grantee's earned and vested Performance Units (if any) shall be paid at the date described in subsection (a).

iii. Any fractional shares will be rounded up to the nearest whole share, but not exceeding the Maximum Award.

7. Dividend Equivalents. Dividend Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same Performance Goal, vesting terms and other conditions as the Performance Units to which they relate. Dividend Equivalents shall be credited on the Performance Units when dividends are declared on shares of Company Stock from the Date of Grant until the payment date for the vested Performance Units. The Company will keep records of Dividend Equivalents in a non-interest bearing bookkeeping account for the Grantee. No interest will be credited to any such account. Vested Dividend Equivalents shall be paid in cash at the same time and subject to the same terms as the underlying vested Performance Units. If and to the extent that the underlying Performance Units are forfeited, all related Dividend Equivalents shall also be forfeited.

8. Holding Requirement. Any shares issued pursuant to Performance Units that are earned in excess of the applicable Target Award must be held by the Grantee for one year following the Measurement Date (the "Holding Period") and may not be assigned, transferred, pledged or otherwise disposed of by the Grantee, other than by will or the laws of descent and distribution, during the Holding Period. However, if the Grantee's employment with the Employer terminates for any reason, or a Change in Control occurs, the holding requirement of this Section 8 shall lapse as of the date of the Grantee's termination of employment or the Change in Control, as applicable.

9. Delivery of Shares. The Company's obligation to deliver shares upon the vesting of the Performance Units shall be subject to applicable laws, rules and regulations and also to such approvals by governmental agencies as may be deemed appropriate to comply with relevant securities laws and regulations.

10. No Stockholder Rights. No shares of Company Stock shall be issued to the Grantee on the Date of Grant, and the Grantee shall not be, nor have any of the rights or privileges of, a stockholder of the Company with respect to any Performance Units.

11. No Right to Continued Employment. The grant of Performance Units shall not confer upon the Grantee any right to continued employment with the Employer or interfere with the right of the Employer to terminate the Grantee's employment at any time.

12. Incorporation of Plan by Reference. The Grant Letter and these Grant Conditions are made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Committee shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Performance Units constitutes the Grantee's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, the Grant Letter, these Grant

Conditions, and the Performance Units shall be final and binding on the Grantee and any other person claiming an interest in the Performance Units.

13. Withholding Taxes. The Employer shall have the right to deduct from all payments made hereunder and from other compensation an amount equal to the federal (including FICA), state, local and foreign taxes required by law to be withheld with respect to the Performance Units. The Employer will withhold shares of Company Stock payable hereunder to satisfy the tax withholding obligation on amounts payable in shares, unless the Grantee provides a payment to the Employer to cover such taxes, in accordance with procedures established by the Committee. Unless the Committee determines otherwise, the share withholding amount shall not exceed the Grantee's minimum applicable tax withholding amount.

14. Company Policies. All amounts payable under the Grant Letter and these Grant Conditions shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Company's Board of Directors from time to time.

15. Assignment. The Grant Letter and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Performance Units, except to a successor grantee in the event of the Grantee's death.

16. Section 409A. The Grant Letter and these Grant Conditions are intended to comply with section 409A of the Code or an exemption, consistent with Section 20(h) of the Plan, including the six-month delay for specified employees in accordance with the requirements of section 409A of the Code, if applicable. In furtherance of the foregoing, if the Performance Units or related Dividend Equivalents constitute "nonqualified deferred compensation" within the meaning of section 409A of the Code, vested Performance Units and related Dividend Equivalents shall be settled on the earliest date that would be permitted under section 409A of the Code without incurring penalty or accelerated taxes thereunder.

17. Successors. The provisions of the Grant Letter and these Grant Conditions shall extend to any business that becomes a successor to the Company or its subsidiaries or affiliates on account of a merger, consolidation, sale of assets, spinoff or similar transaction with respect to any business of the Company or its subsidiaries or affiliates with which the Grantee is employed, and if this grant continues in effect after such corporate event, references to the "Company or its subsidiaries or affiliates" or the "Employer" in the Grant Letter and these Grant Conditions shall include the successor business and its affiliates, as appropriate. In that event, the Company may make such modifications to the Grant Letter and these Grant Conditions as it deems appropriate to reflect the corporate event.

18. Governing Law. The validity, construction, interpretation and effect of the Grant Letter and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the State of Delaware, excluding any conflicts or choice of law rule or principle.



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## **Attachment 1**

### **Definitions**

For purposes of the Grant Letter and Grant Conditions, the following terms have the meanings ascribed to them on this Attachment 1:

i. "**Company Trade Secrets**" shall mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Company Trade Secrets include, but are not limited to, the following: unique pricing methodologies and formulas for products and services of the Company or its subsidiaries or affiliates; unique marketing arrangements and strategies which the Company or its subsidiaries or affiliates use with their vendors and suppliers; and unique advertising arrangements and strategies that the Company or its subsidiaries or affiliates use to advertise their products and services. For avoidance of doubt, Company Trade Secrets do not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

ii. "**Confidential Information**" shall mean information belonging to the Company or its subsidiaries or affiliates, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to the Grantee during his employment or service with the Employer and/or the Grantee has gained access to during the Grantee's employment or service with the Employer and/or was developed by the Grantee in the course of the Grantee's employment or service with the Employer, that is proprietary and confidential in nature. Confidential Information includes, but is not limited to, the following: information believed by the Company or any of its subsidiaries or affiliates to be a Company Trade Secret that ultimately does not qualify as such under applicable law but nonetheless was maintained by the Company or its subsidiaries or affiliates as confidential; information concerning the nature of the business and manner of operation of the Company and its subsidiaries and affiliates; the methods and systems used by the Company or its subsidiaries or affiliates in soliciting, selling and providing their services and/or products to their customers; financial and accounting information, such as cost, pricing and billing information, customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning customers and

prospective customers of the Company and its subsidiaries and affiliates; information concerning vendors and suppliers of the Company and its subsidiaries and affiliates; customer lists; prospective customer lists; customer buying habits and special needs; policies and procedures; personnel records; compensation paid to employees or other service providers of the Company or any of its subsidiaries or affiliates. For avoidance of doubt, Confidential Information does not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

iii. "Injurious Conduct" shall mean the activities described in subsections (i), (ii), (iii) and (iv) below and, for purposes of the Performance Units, shall replace the definition of "Injurious Conduct" set forth in Section 13 of the Plan.

a. The Grantee's employment or service with the Employer is terminated for willful, deliberate, or gross misconduct, as determined by the Committee, in its sole discretion;

b. During the Grantee's employment or service with the Employer and for a period of 24 months thereafter, the Grantee breaches any of the following:

1. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates, and in which the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or in which the Grantee learned Company Trade Secrets or Confidential Information during the Grantee's employment or service with the Employer; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive;

2. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) (x) solicit business from any person who was a customer of the Company or any of its subsidiaries or affiliates during the period of the Grantee's employment or service hereunder or who was within the six-month period prior to such solicitation, or (y) solicit potential customers who are or were identified through leads developed during the course of the Grantee's employment or service with the Employer, in each case, with whom the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or regarding whom the Grantee learned Company Trade Secrets and/or Confidential Information during the

Grantee's employment or service with the Employer, or (II) otherwise divert or attempt to divert any existing business of the Company or any of its subsidiaries or affiliates; and

3. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment, or (II) hire or retain any person who is, or within the six-month period prior to such hiring or retention was, an employee of the Company or any of its subsidiaries or affiliates;

c. During the Grantee's employment or service with the Employer or thereafter, the Grantee uses, publishes or discloses any Company Trade Secrets and/or Confidential Information in any manner whatsoever, except as required in the conduct of business of the Company or any of its subsidiaries or affiliates or as authorized in writing by the Company or any of its subsidiaries or affiliates, as applicable. By accepting the Performance Units, the Grantee acknowledges and agrees that (A) during the Grantee's employment or service with the Employer, the Grantee has been or will be exposed to and/or provided with Company Trade Secrets and Confidential Information and (B) Company Trade Secrets are not generally known to the public or to competitors of the Company or its subsidiaries or affiliates, were developed or compiled at significant expense by the Company or its subsidiaries or affiliates over an extended period of time, are the subject of the reasonable efforts of the Company or its subsidiaries or affiliates to maintain their secrecy, and that the Company or its subsidiaries or affiliates derive significant independent economic value by keeping Company Trade Secrets a secret; or

d. During the Grantee's employment or service with the Employer or thereafter, the Grantee breaches any other written confidentiality, non-solicitation or non-competition covenant with the Employer.

**Exhibit 10.5**

**2021 Long-Term Performance-Based Restricted Stock Unit Grant  
Performance Goal Based on Stock Price Hurdles**

**ARMSTRONG FLOORING, INC.**  
2500 Columbia Ave., P.O. Box 3025  
Lancaster, PA 17604  
717.672.9611

Company Confidential

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[Participant Name]

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This award recognizes the importance of your role in achieving the Company's long-term strategy and is subject to the terms of the 2016 Long-Term Incentive Plan and the award agreement. The award agreement consists of this grant letter with the Performance Goal attached as Exhibit A and incorporated herein and the Terms and Conditions attached as Exhibit B.

The Performance Units will be earned by achieving a Performance Goal based on Stock Price Hurdles, subject to your continued employment, as described in the Terms and Conditions. The Committee has established the Performance Goal set forth on Exhibit A, which allows you to earn up to the Maximum Award, subject to your continued employment as described in the Terms and Conditions.

To the extent the Performance Goal is achieved and you satisfy the employment requirements, a number of shares of Company Stock equal to the Performance Units that are earned and vested will be distributed to you following the conclusion of the Performance Period in accordance with the payment terms set forth in the Terms and Conditions. The Company will withhold shares to satisfy your tax obligations unless you provide a payment to cover the tax withholding obligation. You have no ownership or voting rights relative to the Performance Units.

If the Company makes cash dividend payments during the Performance Period, the value of the dividends on shares attributable to the Performance Units will accrue as dividend equivalents in a non-interest bearing bookkeeping account. You will receive a cash payment equal to the accrued dividend equivalents at the end of the Performance Period, adjusted for the number of Performance Units that become earned and vested.

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Employment Events

The following chart is a summary of the provisions which apply to this award in connection with your termination of employment. The following is only a summary, and in the event of termination of employment, the award will be governed by the Terms and Conditions.

Event	Provisions
<input type="checkbox"/> Voluntary Resignation <input type="checkbox"/> Termination for Cause	All Performance Units and accrued dividend equivalents are forfeited.
Involuntary Termination Without Cause	If termination occurs after 10 months following the Date of Grant, then to the extent that the Performance Goal is achieved, Performance Units and accrued dividend equivalents are earned pro-rata, based on the period of employment; otherwise the Performance Units and accrued dividend equivalents are forfeited.
<input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	To the extent that the Performance Goal is achieved, Performance Units and accrued dividend equivalents are earned pro-rata, based on the period of employment.
After a Change in Control: <input type="checkbox"/> Involuntary Termination Without Cause <input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	Performance Units calculated upon the Change in Control and accrued dividend equivalents are earned as described on <u>Exhibit A</u> .

In the event of any inconsistency between the foregoing summary and the Terms and Conditions or the 2016 Long-Term Incentive Plan, the Terms and Conditions or the 2016 Long-Term Incentive Plan, as applicable, will govern. Capitalized terms used but not defined in this grant letter will have the meanings set forth in the 2016 Long-Term Incentive Plan or the Terms and Conditions, as applicable. **As described in the Terms and Conditions, if and to the extent that the terms of this award agreement conflict with the terms of a Change in Control Agreement or employment agreement between you and the Company, the terms of this award agreement shall supersede the terms of the Change in Control Agreement or employment agreement.**

**Please note that the Terms and Conditions contain restrictive covenant language pertaining to confidentiality, non-competition and non-solicitation. You should read these sections carefully before deciding whether to accept the Performance Units. If you decide not to accept the Performance Units, you will not be subject to the restrictive covenants set forth in the Terms and Conditions, but you will forfeit the Performance Units. You will continue to be subject to any restrictive covenants set forth in the 2016 Long-Term Incentive Plan with respect to prior equity**

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**grants and any other agreements between you and the Company. There will be no other consequences as a result of your decision not to accept the Performance Units.**

Please contact Steven Slutsky (484-744-9009) if you have questions.

Sincerely,

Michel Vermette  
President and Chief Executive Officer

*The information contained in this letter is confidential and any discussion, distribution or use of this information is prohibited.*

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**Exhibit A**  
**Performance Goal**

**Stock Price Hurdles:** Stock Price Hurdle is defined as the average of the closing sale stock prices of one share of Company Stock over the 20 trading days following the date of the 2024 release of the fourth quarter and full year 2023 earnings results (such date is currently expected to occur in the first quarter of 2024), as determined by the Committee. The twentieth trading day following the 2024 release of the fourth quarter and full year 2023 earnings results is referred to as the "Measurement Date."

<b>Stock Price Hurdles Performance Scale</b>		
<b>Stock Price Hurdle</b>		<b>Payout</b>
Below \$XX		0%
\$XX		50%
\$XX		75%
\$XX		100%
\$XX or above		125%

Threshold level performance must be achieved in order to earn any Performance Units for the Performance Goal. If actual performance is between performance levels and at least \$XX, the number of Performance Units earned with respect to the Performance Goal will be interpolated on a straight line basis for pro-rata achievement for performance at or between performance levels. If the Performance Goal would produce fractional units, the number of Performance Units earned shall be rounded up to the nearest whole unit, but not in excess of the Maximum Award.

**Change in Control:**

If a Change in Control occurs after the Date of Grant and prior to the end of the Performance Period, the number of Performance Units earned with respect to the Stock Price Hurdles Performance Goal will be the Target Award.

The Committee reserves discretion to provide for accelerated vesting of the earned Performance Units at a higher performance level pursuant to Section 14(b) of the Plan.

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**Exhibit B**

**ARMSTRONG FLOORING, INC.**

**2016 LONG-TERM INCENTIVE PLAN**

**PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT  
TERMS AND CONDITIONS**

1. Grant.

(a) Subject to the terms set forth below, Armstrong Flooring, Inc. (the “Company”) has granted to the designated employee (the “Grantee”) an award of performance-based restricted stock units (the “Performance Units”), as specified in the 2016 Long-Term Performance-Based Restricted Stock Unit Grant Letter (including Exhibit A attached thereto) to which these Grant Conditions (as defined below) relate (the “Grant Letter”). The Grant Letter specifies a Target Award and a Maximum Award granted as of the Date of Grant, subject to restrictions as set forth herein. The “Date of Grant” is April 1, 2021. The Performance Units are Stock Units with respect to common stock of the Company (“Company Stock”).

(b) The Performance Units shall be earned, vested and payable if and to the extent that the Stock Price Hurdles performance goal set forth in the Grant Letter (the “Performance Goal”), employment conditions and other terms of these Grant Conditions are met. The “Performance Period” for which the attainment of the Performance Goal will be measured is the period beginning January 1, 2021 and ending on the Measurement Date.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letter. This grant is made under the Armstrong Flooring, Inc. 2016 Long-Term Incentive Plan (the “Plan”). Any terms not defined herein shall have the meanings set forth in the Plan.

2. Performance Goal; Vesting.

(a) The Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goal for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the “Employer”) through the Measurement Date. The Performance Units shall be earned based on attainment of the Performance Goal and shall vest based on the Grantee’s continued employment through the Measurement Date, or as otherwise provided below.

(b) After the end of the Performance Period, the Management Development and Compensation Committee (the “Committee”) will determine whether and to what extent the Performance Goal has been met and the amount, if any, earned with respect to the Performance Units. The Grantee can earn up to the Maximum Award based on attainment of the Performance

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Goal, as set forth in the Grant Letter. Earned and vested Performance Units shall be payable as described in Section 6.

(c) If a Change in Control occurs prior to the end of the Performance Period, the amount earned with respect to the Performance Units shall be determined as of the date of the Change in Control as described in the Grant Letter. The earned Performance Units shall continue to vest based on the Grantee's continued employment through April 30, 2024, except as otherwise provided herein. Earned and vested Performance Units shall be payable as described in Section 6. Notwithstanding the foregoing, if the Performance Units are not assumed by, or replaced by substantially identical grants by, the successor company in the Change in Control, the earned Performance Units shall vest as of the date of the Change in Control, and such earned and vested Performance Units shall be paid upon or within 10 days after the date of the Change in Control if the Change in Control is a 409A CIC (as defined below) and if permitted by the plan termination provisions of the regulations under section 409A of the Code. If payment at the date of the Change in Control is not permitted under section 409A, the earned and vested Performance Units shall be payable as described in Section 6.

(d) Except as described below, no Performance Units shall be earned prior to the Committee's determination of achievement of the Performance Goal, and to the extent that the Performance Goal is not attained, the Performance Units shall be immediately forfeited and shall cease to be outstanding as of the date of the Committee's determination.

3. Termination of Employment.

(a) *General Rule.* Except as described below, if the Grantee ceases to be employed by the Employer for any reason prior to the Measurement Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *Involuntary Termination before a Change in Control.* If, before a Change in Control and after ten months following the Date of Grant but prior to the Measurement Date, the Grantee ceases to be employed by the Employer on account of Involuntary Termination (as defined below), the Grantee shall earn and vest in a pro-rated portion of the outstanding Performance Units based on the extent to which the Performance Goal is achieved for the Performance Period. In the event of a subsequent Change in Control prior to the end of the Performance Period, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letter. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goal by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2021 through the Grantee's termination date, and the denominator of which is the number of months in the Performance Period and any partial month shall count as a full month for purposes of this calculation. In the event of a subsequent Change in Control prior to the end of the Performance Period, the denominator will be 40. The month in which the Grantee's termination date occurs shall count as a full month for purposes of this calculation. The pro-rated earned Performance Units shall be paid as described in Section 6.

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(c) *Death or Long-Term Disability before a Change in Control.* If, before a Change in Control, the Grantee ceases to be employed by the Employer prior to the Measurement Date on account of death or Long-Term Disability (as defined below), the Grantee shall earn and vest in a pro-rated portion of the outstanding Performance Units based on the extent to which the Performance Goal is achieved for the Performance Period. In the event of a subsequent Change in Control prior to the end of the Performance Period, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letter. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goal by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2021 through the Grantee's termination date and the denominator of which is the number of months in the Performance Period and any partial month shall count as a full month for purposes of this calculation. In the event of a subsequent Change in Control prior to the end of the Performance Period, the denominator will be 40. The month in which the Grantee's termination date occurs shall count as a full month for purposes of this calculation. The pro-rated earned Performance Units shall be paid as described in Section 6.

(d) *Involuntary Termination, Death and Long-Term Disability on or after a Change in Control.* If the Grantee's employment terminates on account of Involuntary Termination, death or Long-Term Disability on or after a Change in Control and prior to April 30, 2024, the Grantee shall vest in the Performance Units earned as of the Change in Control date as described in the Grant Letter. If the Grantee has a Change in Control Severance Agreement with the Company ("Change in Control Agreement"), on and after a Change in Control, the term "Involuntary Termination" shall have the meaning given a termination by the Company without Cause as defined in the Change in Control Agreement, and shall include without limitation a termination for Good Reason as defined in the Change in Control Agreement. **The Grantee agrees that, subject to the immediately preceding sentence, if and to the extent that these Grant Conditions conflict with the terms of the Change in Control Agreement or any employment agreement between the Company and the Grantee, these Grant Conditions shall supersede the provisions of the Change in Control Agreement and employment agreement applicable to vesting of performance units on and after a Change in Control, notwithstanding anything in the Change in Control Agreement or employment agreement to the contrary.**

4. Definitions. For purposes of these Grant Conditions and the Grant Letter:

(a) "409A CIC" shall mean a Change in Control that meets the requirements of a "change in control event" as described under section 409A of the Code.

(b) "Cause" shall mean any of the following, as determined in the sole discretion of the Employer: (i) commission of a felony or a crime involving moral turpitude; (ii) fraud, dishonesty, misrepresentation, theft or misappropriation of funds with respect to the Employer; (iii) violation of the Employer's Code of Conduct or employment policies, as in effect from time to time; (iv) breach of any written noncompetition, confidentiality or non-solicitation covenant of

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the Grantee with respect to the Employer; or (v) gross negligence or misconduct in the performance of the Grantee's duties with the Employer.

- (c) "Company Trade Secrets" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (d) "Confidential Information" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (e) "Injurious Conduct" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (f) "Involuntary Termination" shall mean the Employer's termination of the Grantee's employment other than for Cause.
- (g) "Long-Term Disability" shall mean the Grantee is receiving long-term disability benefits under the Employer's long-term disability plan.

5. Restrictive Covenants; Forfeiture.

- (a) The Committee may determine that the Performance Units shall be forfeited if the Grantee engages in Injurious Conduct.
  - (b) If the Committee determines that the Grantee has engaged in Injurious Conduct, the Committee may in its discretion require the Grantee to return to the Company any Company Stock or cash received in settlement of Performance Units. If the Company Stock acquired in settlement of the Performance Units has been disposed of by the Grantee, then the Company may require the Grantee to pay to the Company the economic value of the Company Stock as of the date of disposition.
  - (c) The Committee shall exercise the right of forfeiture and recoupment provided to the Company in this Section 5 within 180 days after the Company's discovery of the Injurious Conduct activities giving rise to the Company's right of forfeiture or recoupment.
  - (d) The Grantee may make a request to the Committee in writing for a determination regarding whether any proposed business or activity would constitute Injurious Conduct. Such request shall fully describe the proposed business or activity. The Committee shall respond to the Grantee in writing and the Committee's determination shall be limited to the specific business or activity so described.
  - (e) By accepting the Performance Units, the Grantee acknowledges and agrees that all Company Trade Secrets and Confidential Information developed, created or maintained by the Grantee, alone or with others, during the Grantee's employment or service with the Employer, shall remain at all times the sole property of the Company and its subsidiaries and affiliates.
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(f) This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after the Grantee's termination or cessation of the Grantee's employment or service with the Employer. The Grantee understands that in the event of a violation of any provision of this Section 5, the Company shall have the right to seek injunctive relief, in addition to any other existing rights provided in this Agreement or by operation of law, without the requirement of posting bond. The remedies provided in this Section 5 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Grantee and the Company or any of its subsidiaries or affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of this Section 5 and Attachment 1 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.

(g) By accepting the Performance Units, the Grantee acknowledges that the Grantee has carefully read and considered the provisions of this Section 5 and Attachment 1 and agrees that the restrictions set forth herein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company and its subsidiaries and affiliates.

(h) In the event of a breach by the Grantee of any restrictive covenant set forth on Attachment 1, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company and its subsidiaries and affiliates shall receive the benefit of the Grantee's compliance with the terms and conditions of this Section 5.

6. Payment.

i. Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goal and other conditions to payment of the Performance Units have been met, the Company shall issue shares of Company Stock to the Grantee equal to the number of earned and vested Performance Units, subject to applicable tax withholding and subject to compliance with section 409A of the Code and as described in Section 20(h) of the Plan. Payment of earned and vested Performance Units shall be made in 2024 as soon as practicable after the Committee certifies the extent to which the Performance Goal and other conditions to payment of the Performance Units have been met, but not later than May 31, 2024, except as provided below. All unpaid Performance Units shall be forfeited in the event of termination for Cause.

ii. If the Grantee's employment terminates for any reason other than Cause upon or within two years after a Change in Control that meets the requirements of a 409A CIC, the Grantee's unpaid earned and vested Performance Units (if any) shall be paid within 60 days after the termination date, subject to compliance with section 409A of the Code, if applicable, and as described in Section 20(h) of the Plan. The Company shall issue shares of Company Stock to the Grantee equal to the number of the earned and vested Performance Units, subject to applicable tax withholding. If a Change in Control does not meet the requirements of a 409A CIC, the

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Grantee's earned and vested Performance Units (if any) shall be paid at the date described in subsection (a).

iii. Any fractional shares will be rounded up to the nearest whole share, but not exceeding the Maximum Award.

7. Dividend Equivalents. Dividend Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same Performance Goal, vesting terms and other conditions as the Performance Units to which they relate. Dividend Equivalents shall be credited on the Performance Units when dividends are declared on shares of Company Stock from the Date of Grant until the payment date for the vested Performance Units. The Company will keep records of Dividend Equivalents in a non-interest bearing bookkeeping account for the Grantee. No interest will be credited to any such account. Vested Dividend Equivalents shall be paid in cash at the same time and subject to the same terms as the underlying vested Performance Units. If and to the extent that the underlying Performance Units are forfeited, all related Dividend Equivalents shall also be forfeited.

8. Delivery of Shares. The Company's obligation to deliver shares upon the vesting of the Performance Units shall be subject to applicable laws, rules and regulations and also to such approvals by governmental agencies as may be deemed appropriate to comply with relevant securities laws and regulations.

9. No Stockholder Rights. No shares of Company Stock shall be issued to the Grantee on the Date of Grant, and the Grantee shall not be, nor have any of the rights or privileges of, a stockholder of the Company with respect to any Performance Units.

10. No Right to Continued Employment. The grant of Performance Units shall not confer upon the Grantee any right to continued employment with the Employer or interfere with the right of the Employer to terminate the Grantee's employment at any time.

11. Incorporation of Plan by Reference. The Grant Letter and these Grant Conditions are made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Committee shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Performance Units constitutes the Grantee's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, the Grant Letter, these Grant Conditions, and the Performance Units shall be final and binding on the Grantee and any other person claiming an interest in the Performance Units.

12. Withholding Taxes. The Employer shall have the right to deduct from all payments made hereunder and from other compensation an amount equal to the federal (including FICA), state, local and foreign taxes required by law to be withheld with respect to the Performance Units. The Employer will withhold shares of Company Stock payable hereunder to satisfy the tax withholding obligation on amounts payable in shares, unless the Grantee provides a payment to the Employer to cover such taxes, in accordance with procedures established by the Committee.

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Unless the Committee determines otherwise, the share withholding amount shall not exceed the Grantee's minimum applicable tax withholding amount.

13. Company Policies. All amounts payable under the Grant Letter and these Grant Conditions shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Company's Board of Directors from time to time.

14. Assignment. The Grant Letter and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Performance Units, except to a successor grantee in the event of the Grantee's death.

15. Section 409A. The Grant Letter and these Grant Conditions are intended to comply with section 409A of the Code or an exemption, consistent with Section 20(h) of the Plan, including the six-month delay for specified employees in accordance with the requirements of section 409A of the Code, if applicable. In furtherance of the foregoing, if the Performance Units or related Dividend Equivalents constitute "nonqualified deferred compensation" within the meaning of section 409A of the Code, vested Performance Units and related Dividend Equivalents shall be settled on the earliest date that would be permitted under section 409A of the Code without incurring penalty or accelerated taxes thereunder.

16. Successors. The provisions of the Grant Letter and these Grant Conditions shall extend to any business that becomes a successor to the Company or its subsidiaries or affiliates on account of a merger, consolidation, sale of assets, spinoff or similar transaction with respect to any business of the Company or its subsidiaries or affiliates with which the Grantee is employed, and if this grant continues in effect after such corporate event, references to the "Company or its subsidiaries or affiliates" or the "Employer" in the Grant Letter and these Grant Conditions shall include the successor business and its affiliates, as appropriate. In that event, the Company may make such modifications to the Grant Letter and these Grant Conditions as it deems appropriate to reflect the corporate event.

17. Governing Law. The validity, construction, interpretation and effect of the Grant Letter and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the State of Delaware, excluding any conflicts or choice of law rule or principle.

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## **Attachment 1**

### **Definitions**

For purposes of the Grant Letter and Grant Conditions, the following terms have the meanings ascribed to them on this Attachment 1:

i. "**Company Trade Secrets**" shall mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Company Trade Secrets include, but are not limited to, the following: unique pricing methodologies and formulas for products and services of the Company or its subsidiaries or affiliates; unique marketing arrangements and strategies which the Company or its subsidiaries or affiliates use with their vendors and suppliers; and unique advertising arrangements and strategies that the Company or its subsidiaries or affiliates use to advertise their products and services. For avoidance of doubt, Company Trade Secrets do not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

ii. "**Confidential Information**" shall mean information belonging to the Company or its subsidiaries or affiliates, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to the Grantee during his employment or service with the Employer and/or the Grantee has gained access to during the Grantee's employment or service with the Employer and/or was developed by the Grantee in the course of the Grantee's employment or service with the Employer, that is proprietary and confidential in nature. Confidential Information includes, but is not limited to, the following: information believed by the Company or any of its subsidiaries or affiliates to be a Company Trade Secret that ultimately does not qualify as such under applicable law but nonetheless was maintained by the Company or its subsidiaries or affiliates as confidential; information concerning the nature of the business and manner of operation of the Company and its subsidiaries and affiliates; the methods and systems used by the Company or its subsidiaries or affiliates in soliciting, selling and providing their services and/or products to their customers; financial and accounting information, such as cost, pricing and billing information, customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning customers and

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prospective customers of the Company and its subsidiaries and affiliates; information concerning vendors and suppliers of the Company and its subsidiaries and affiliates; customer lists; prospective customer lists; customer buying habits and special needs; policies and procedures; personnel records; compensation paid to employees or other service providers of the Company or any of its subsidiaries or affiliates. For avoidance of doubt, Confidential Information does not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

iii. "Injurious Conduct" shall mean the activities described in subsections (i), (ii) (including any modifications of subsection (ii) for residents of California and Colorado and other applicable jurisdictions as set forth below), (iii) and (iv) below and, for purposes of the Performance Units, shall replace the definition of "Injurious Conduct" set forth in Section 13 of the Plan.

a. The Grantee's employment or service with the Employer is terminated for willful, deliberate, or gross misconduct, as determined by the Committee, in its sole discretion;

b. During the Grantee's employment or service with the Employer and either (1) for a period of 12 months thereafter or (2) for a period of 18 months thereafter if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., the Grantee breaches any of the following:

1. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates, and in which the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or in which the Grantee learned Company Trade Secrets or Confidential Information during the Grantee's employment or service with the Employer; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive;

2. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) (x) solicit business from any person who was a customer of the Company or any of its subsidiaries or affiliates during the period of the Grantee's employment or service hereunder or who was within the six-month period prior to such solicitation, or (y) solicit potential customers who are or were identified through leads developed during the course of the Grantee's employment or service with the Employer, in each case, with whom the Grantee was involved as part of the Grantee's job

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responsibilities during the Grantee's employment or service with the Employer, or regarding whom the Grantee learned Company Trade Secrets and/or Confidential Information during the Grantee's employment or service with the Employer, or (II) otherwise divert or attempt to divert any existing business of the Company or any of its subsidiaries or affiliates; and

3. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment, or (II) hire or retain any person who is, or within the six-month period prior to such hiring or retention was, an employee of the Company or any of its subsidiaries or affiliates;

c. During the Grantee's employment or service with the Employer or thereafter, the Grantee uses, publishes or discloses any Company Trade Secrets and/or Confidential Information in any manner whatsoever, except as required in the conduct of business of the Company or any of its subsidiaries or affiliates or as authorized in writing by the Company or any of its subsidiaries or affiliates, as applicable. By accepting the Performance Units, the Grantee acknowledges and agrees that (A) during the Grantee's employment or service with the Employer, the Grantee has been or will be exposed to and/or provided with Company Trade Secrets and Confidential Information and (B) Company Trade Secrets are not generally known to the public or to competitors of the Company or its subsidiaries or affiliates, were developed or compiled at significant expense by the Company or its subsidiaries or affiliates over an extended period of time, are the subject of the reasonable efforts of the Company or its subsidiaries or affiliates to maintain their secrecy, and that the Company or its subsidiaries or affiliates derive significant independent economic value by keeping Company Trade Secrets a secret; or

d. During the Grantee's employment or service with the Employer or thereafter, the Grantee breaches any other written confidentiality, non-solicitation or non-competition covenant with the Employer.

Notwithstanding the foregoing, if the Grantee is employed or provides services in Colorado, subsections (ii)(1) and (ii)(2) above shall be limited to actions taken by the Grantee through the use of Company Trade Secrets and/or Confidential Information.

Notwithstanding the foregoing, if the Grantee is employed or provides services in California, or in another jurisdiction where the provisions of subsection (ii), including (ii)(1), (ii)(2) and (ii)(3) above, are otherwise prohibited by law, the following provisions shall apply instead of subsection (ii), including (ii)(1), (ii)(2) and (ii)(3) above:

4. During the Grantee's employment or service with the Employer, the Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as

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the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive.

5. During the Grantee's employment or service with the Employer and either (1) for a period of 12 months thereafter or (2) for a period of 18 months thereafter if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., the Grantee shall not, directly or indirectly, solicit or attempt to solicit any business from any of customers of the Company or any of its subsidiaries or affiliates for the purposes of providing products or services that are competitive with those provided by the Company or any of its subsidiaries or affiliates where such solicitation and/or attempt at solicitation is done by the Grantee through the use of Company Trade Secrets and/or Confidential Information.

6. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or any of its subsidiaries or affiliates, solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment.

**Exhibit 10.6**

**2021 Long-Term Performance-Based Restricted Stock Unit Grant  
Performance Goal Based on Stock Price Hurdles**

**ARMSTRONG FLOORING, INC.**  
2500 Columbia Ave., P.O. Box 3025  
Lancaster, PA 17604  
717.672.9611

Company Confidential

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[Participant Name]

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I am pleased to inform you that the Company's Management Development and Compensation Committee granted you the following:

Date of Grant:	April 1, 2021
Performance Units (" <u>Target Award</u> "): [ ]	
Maximum Performance Units (" <u>Maximum Award</u> "): 125% of Target Award	
Performance Period (" <u>Performance Period</u> "): January 1, 2021 through the Measurement Date	

This award recognizes the importance of your role in achieving the Company's long-term strategy and is subject to the terms of the 2016 Long-Term Incentive Plan and the award agreement. The award agreement consists of this grant letter with the Performance Goal attached as Exhibit A and incorporated herein and the Terms and Conditions attached as Exhibit B.

The Performance Units will be earned by achieving a Performance Goal based on Stock Price Hurdles, subject to your continued employment, as described in the Terms and Conditions. The Committee has established the Performance Goal set forth on Exhibit A, which allows you to earn up to the Maximum Award, subject to your continued employment as described in the Terms and Conditions.

To the extent the Performance Goal is achieved and you satisfy the employment requirements, a number of shares of Company Stock equal to the Performance Units that are earned and vested will be distributed to you following the conclusion of the Performance Period in accordance with the payment terms set forth in the Terms and Conditions, subject to the holding requirements set forth in the Terms and Conditions. The Company will withhold shares to satisfy your tax obligations unless you provide a payment to cover the tax withholding obligation. You have no ownership or voting rights relative to the Performance Units.

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If the Company makes cash dividend payments during the Performance Period, the value of the dividends on shares attributable to the Performance Units will accrue as dividend equivalents in a non-interest bearing bookkeeping account. You will receive a cash payment equal to the accrued dividend equivalents at the end of the Performance Period, adjusted for the number of Performance Units that become earned and vested.

Employment Events

The following chart is a summary of the provisions which apply to this award in connection with your termination of employment. The following is only a summary, and in the event of termination of employment, the award will be governed by the Terms and Conditions.

Event	Provisions
<input type="checkbox"/> Voluntary Resignation <input type="checkbox"/> Termination for Cause	All Performance Units and accrued dividend equivalents are forfeited.
Involuntary Termination Without Cause	If termination occurs after 10 months following the Date of Grant, then to the extent that the Performance Goal is achieved, Performance Units and accrued dividend equivalents are earned pro-rata, based on the period of employment; otherwise the Performance Units and accrued dividend equivalents are forfeited.
<input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	To the extent that the Performance Goal is achieved, Performance Units and accrued dividend equivalents are earned pro-rata, based on the period of employment.
After a Change in Control: <input type="checkbox"/> Involuntary Termination Without Cause <input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	Performance Units calculated upon the Change in Control and accrued dividend equivalents are earned as described on <u>Exhibit A</u> .

In the event of any inconsistency between the foregoing summary and the Terms and Conditions or the 2016 Long-Term Incentive Plan, the Terms and Conditions or the 2016 Long-Term Incentive Plan, as applicable, will govern. Capitalized terms used but not defined in this grant letter will have the meanings set forth in the 2016 Long-Term Incentive Plan or the Terms and Conditions, as applicable. **As described in the Terms and Conditions, if and to the extent that the terms of this award agreement conflict with the terms of a Change in Control Agreement or employment agreement between you and the Company, the terms of this award agreement shall supersede the terms of the Change in Control Agreement or employment agreement.**

**Please note that the Terms and Conditions contain restrictive covenant language pertaining to confidentiality, non-competition and non-solicitation. You should read these sections carefully before deciding whether to accept the Performance Units. If you decide not to accept the Performance Units, you will not be subject to the restrictive covenants set forth in the Terms and Conditions, but you will forfeit the Performance Units. You will continue to be subject to any restrictive covenants set forth in the 2016 Long-Term Incentive Plan with respect to prior equity grants and any other agreements between you and the Company. There will be no other consequences as a result of your decision not to accept the Performance Units.**

Please contact Steven Slutsky (484-744-9009) if you have questions.

Sincerely,

Michel Vermette  
President and Chief Executive Officer

*The information contained in this letter is confidential and any discussion, distribution or use of this information is prohibited.*

**Exhibit A**  
**Performance Goal**

**Stock Price Hurdles:** Stock Price Hurdle is defined as the average of the closing sale stock prices of one share of Company Stock over the 20 trading days following the date of the 2024 release of the fourth quarter and full year 2023 earnings results (such date is currently expected to occur in the first quarter of 2024), as determined by the Committee. The twentieth trading day following the 2024 release of the fourth quarter and full year 2023 earnings results is referred to as the “Measurement Date.”

<b>Stock Price Hurdles Performance Scale</b>		
<b>Stock Price Hurdle</b>		<b>Payout</b>
Below \$XX		0%
\$XX		50%
\$XX		75%
\$XX		100%
\$XX or above		125%

Threshold level performance must be achieved in order to earn any Performance Units for the Performance Goal. If actual performance is between performance levels and at least \$XX, the number of Performance Units earned with respect to the Performance Goal will be interpolated on a straight line basis for pro-rata achievement for performance at or between performance levels. If the Performance Goal would produce fractional units, the number of Performance Units earned shall be rounded up to the nearest whole unit, but not in excess of the Maximum Award.

**Change in Control:**

If a Change in Control occurs after the Date of Grant and prior to the end of the Performance Period, the number of Performance Units earned with respect to the Stock Price Hurdles Performance Goal will be the Target Award.

The Committee reserves discretion to provide for accelerated vesting of the earned Performance Units at a higher performance level pursuant to Section 14(b) of the Plan.

**Exhibit B**

**ARMSTRONG FLOORING, INC.**

**2016 LONG-TERM INCENTIVE PLAN**

**PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT  
TERMS AND CONDITIONS**

1. Grant.

(a) Subject to the terms set forth below, Armstrong Flooring, Inc. (the “Company”) has granted to the designated employee (the “Grantee”) an award of performance-based restricted stock units (the “Performance Units”), as specified in the 2016 Long-Term Performance-Based Restricted Stock Unit Grant Letter (including Exhibit A attached thereto) to which these Grant Conditions (as defined below) relate (the “Grant Letter”). The Grant Letter specifies a Target Award and a Maximum Award granted as of the Date of Grant, subject to restrictions as set forth herein. The “Date of Grant” is April 1, 2021. The Performance Units are Stock Units with respect to common stock of the Company (“Company Stock”).

(b) The Performance Units shall be earned, vested and payable if and to the extent that the Stock Price Hurdles performance goal set forth in the Grant Letter (the “Performance Goal”), employment conditions and other terms of these Grant Conditions are met. The “Performance Period” for which the attainment of the Performance Goal will be measured is the period beginning January 1, 2021 and ending on the Measurement Date.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letter. This grant is made under the Armstrong Flooring, Inc. 2016 Long-Term Incentive Plan (the “Plan”). Any terms not defined herein shall have the meanings set forth in the Plan.

2. Performance Goal; Vesting.

(a) The Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goal for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the “Employer”) through the Measurement Date. The Performance Units shall be earned based on attainment of the Performance Goal and shall vest based on the Grantee’s continued employment through the Measurement Date, or as otherwise provided below.

(b) After the end of the Performance Period, the Management Development and Compensation Committee (the “Committee”) will determine whether and to what extent the Performance Goal has been met and the amount, if any, earned with respect to the Performance Units. The Grantee can earn up to the Maximum Award based on attainment of the Performance



Goal, as set forth in the Grant Letter. Earned and vested Performance Units shall be payable as described in Section 6.

(c) If a Change in Control occurs prior to the end of the Performance Period, the amount earned with respect to the Performance Units shall be determined as of the date of the Change in Control as described in the Grant Letter. The earned Performance Units shall continue to vest based on the Grantee's continued employment through April 30, 2024, except as otherwise provided herein. Earned and vested Performance Units shall be payable as described in Section 6. Notwithstanding the foregoing, if the Performance Units are not assumed by, or replaced by substantially identical grants by, the successor company in the Change in Control, the earned Performance Units shall vest as of the date of the Change in Control, and such earned and vested Performance Units shall be paid upon or within 10 days after the date of the Change in Control if the Change in Control is a 409A CIC (as defined below) and if permitted by the plan termination provisions of the regulations under section 409A of the Code. If payment at the date of the Change in Control is not permitted under section 409A, the earned and vested Performance Units shall be payable as described in Section 6.

(d) Except as described below, no Performance Units shall be earned prior to the Committee's determination of achievement of the Performance Goal, and to the extent that the Performance Goal is not attained, the Performance Units shall be immediately forfeited and shall cease to be outstanding as of the date of the Committee's determination.

3. Termination of Employment.

(a) *General Rule.* Except as described below, if the Grantee ceases to be employed by the Employer for any reason prior to the Measurement Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *Involuntary Termination before a Change in Control.* If, before a Change in Control and after ten months following the Date of Grant but prior to the Measurement Date, the Grantee ceases to be employed by the Employer on account of Involuntary Termination (as defined below), the Grantee shall earn and vest in a pro-rated portion of the outstanding Performance Units based on the extent to which the Performance Goal is achieved for the Performance Period. In the event of a subsequent Change in Control prior to the end of the Performance Period, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letter. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goal by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2021 through the Grantee's termination date, and the denominator of which is the number of months in the Performance Period and any partial month shall count as a full month for purposes of this calculation. In the event of a subsequent Change in Control prior to the end of the Performance Period, the denominator will be 40. The month in which the Grantee's termination date occurs shall count as a full month for purposes of this calculation. The pro-rated earned Performance Units shall be paid as described in Section 6.

(c) *Death or Long-Term Disability before a Change in Control.* If, before a Change in Control, the Grantee ceases to be employed by the Employer prior to the Measurement Date on account of death or Long-Term Disability (as defined below), the Grantee shall earn and vest in a pro-rated portion of the outstanding Performance Units based on the extent to which the Performance Goal is achieved for the Performance Period. In the event of a subsequent Change in Control prior to the end of the Performance Period, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letter. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goal by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2021 through the Grantee's termination date and the denominator of which is the number of months in the Performance Period and any partial month shall count as a full month for purposes of this calculation. In the event of a subsequent Change in Control prior to the end of the Performance Period, the denominator will be 40. The month in which the Grantee's termination date occurs shall count as a full month for purposes of this calculation. The pro-rated earned Performance Units shall be paid as described in Section 6.

(d) *Involuntary Termination, Death and Long-Term Disability on or after a Change in Control.* If the Grantee's employment terminates on account of Involuntary Termination, death or Long-Term Disability on or after a Change in Control and prior to April 30, 2024, the Grantee shall vest in the Performance Units earned as of the Change in Control date as described in the Grant Letter. If the Grantee has a Change in Control Severance Agreement with the Company ("Change in Control Agreement"), on and after a Change in Control, the term "Involuntary Termination" shall have the meaning given a termination by the Company without Cause as defined in the Change in Control Agreement, and shall include without limitation a termination for Good Reason as defined in the Change in Control Agreement. **The Grantee agrees that, subject to the immediately preceding sentence, if and to the extent that these Grant Conditions conflict with the terms of the Change in Control Agreement or any employment agreement between the Company and the Grantee, these Grant Conditions shall supersede the provisions of the Change in Control Agreement and employment agreement applicable to vesting of performance units on and after a Change in Control, notwithstanding anything in the Change in Control Agreement or employment agreement to the contrary.**

4. Definitions. For purposes of these Grant Conditions and the Grant Letter:

(a) "409A CIC" shall mean a Change in Control that meets the requirements of a "change in control event" as described under section 409A of the Code.

(b) "Cause" shall mean any of the following, as determined in the sole discretion of the Employer: (i) commission of a felony or a crime involving moral turpitude; (ii) fraud, dishonesty, misrepresentation, theft or misappropriation of funds with respect to the Employer; (iii) violation of the Employer's Code of Conduct or employment policies, as in effect from time to time; (iv) breach of any written noncompetition, confidentiality or non-solicitation covenant of

the Grantee with respect to the Employer; or (v) gross negligence or misconduct in the performance of the Grantee's duties with the Employer.

- (c) "Company Trade Secrets" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (d) "Confidential Information" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (e) "Injurious Conduct" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (f) "Involuntary Termination" shall mean the Employer's termination of the Grantee's employment other than for Cause.
- (g) "Long-Term Disability" shall mean the Grantee is receiving long-term disability benefits under the Employer's long-term disability plan.

5. Restrictive Covenants; Forfeiture.

- (a) The Committee may determine that the Performance Units shall be forfeited if the Grantee engages in Injurious Conduct.
- (b) If the Committee determines that the Grantee has engaged in Injurious Conduct, the Committee may in its discretion require the Grantee to return to the Company any Company Stock or cash received in settlement of Performance Units. If the Company Stock acquired in settlement of the Performance Units has been disposed of by the Grantee, then the Company may require the Grantee to pay to the Company the economic value of the Company Stock as of the date of disposition.
- (c) The Committee shall exercise the right of forfeiture and recoupment provided to the Company in this Section 5 within 180 days after the Company's discovery of the Injurious Conduct activities giving rise to the Company's right of forfeiture or recoupment.
- (d) The Grantee may make a request to the Committee in writing for a determination regarding whether any proposed business or activity would constitute Injurious Conduct. Such request shall fully describe the proposed business or activity. The Committee shall respond to the Grantee in writing and the Committee's determination shall be limited to the specific business or activity so described.
- (e) By accepting the Performance Units, the Grantee acknowledges and agrees that all Company Trade Secrets and Confidential Information developed, created or maintained by the Grantee, alone or with others, during the Grantee's employment or service with the Employer, shall remain at all times the sole property of the Company and its subsidiaries and affiliates.

(f) This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after the Grantee's termination or cessation of the Grantee's employment or service with the Employer. The Grantee understands that in the event of a violation of any provision of this Section 5, the Company shall have the right to seek injunctive relief, in addition to any other existing rights provided in this Agreement or by operation of law, without the requirement of posting bond. The remedies provided in this Section 5 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Grantee and the Company or any of its subsidiaries or affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of this Section 5 and Attachment 1 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.

(g) By accepting the Performance Units, the Grantee acknowledges that the Grantee has carefully read and considered the provisions of this Section 5 and Attachment 1 and agrees that the restrictions set forth herein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company and its subsidiaries and affiliates.

(h) In the event of a breach by the Grantee of any restrictive covenant set forth on Attachment 1, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company and its subsidiaries and affiliates shall receive the benefit of the Grantee's compliance with the terms and conditions of this Section 5.

6. Payment.

i. Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goal and other conditions to payment of the Performance Units have been met, the Company shall issue shares of Company Stock to the Grantee equal to the number of earned and vested Performance Units, subject to applicable tax withholding and subject to compliance with section 409A of the Code and as described in Section 20(h) of the Plan. Payment of earned and vested Performance Units shall be made in 2024 as soon as practicable after the Committee certifies the extent to which the Performance Goal and other conditions to payment of the Performance Units have been met, but not later than May 31, 2024, except as provided below. All unpaid Performance Units shall be forfeited in the event of termination for Cause.

ii. If the Grantee's employment terminates for any reason other than Cause upon or within two years after a Change in Control that meets the requirements of a 409A CIC, the Grantee's unpaid earned and vested Performance Units (if any) shall be paid within 60 days after the termination date, subject to compliance with section 409A of the Code, if applicable, and as described in Section 20(h) of the Plan. The Company shall issue shares of Company Stock to the Grantee equal to the number of the earned and vested Performance Units, subject to applicable tax withholding. If a Change in Control does not meet the requirements of a 409A CIC, the

Grantee's earned and vested Performance Units (if any) shall be paid at the date described in subsection (a).

iii. Any fractional shares will be rounded up to the nearest whole share, but not exceeding the Maximum Award.

7. Dividend Equivalents. Dividend Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same Performance Goal, vesting terms and other conditions as the Performance Units to which they relate. Dividend Equivalents shall be credited on the Performance Units when dividends are declared on shares of Company Stock from the Date of Grant until the payment date for the vested Performance Units. The Company will keep records of Dividend Equivalents in a non-interest bearing bookkeeping account for the Grantee. No interest will be credited to any such account. Vested Dividend Equivalents shall be paid in cash at the same time and subject to the same terms as the underlying vested Performance Units. If and to the extent that the underlying Performance Units are forfeited, all related Dividend Equivalents shall also be forfeited.

8. Holding Requirement. Any shares issued pursuant to Performance Units that are earned in excess of the applicable Target Award must be held by the Grantee for one year following the Measurement Date (the "Holding Period") and may not be assigned, transferred, pledged or otherwise disposed of by the Grantee, other than by will or the laws of descent and distribution, during the Holding Period. However, if the Grantee's employment with the Employer terminates for any reason, or a Change in Control occurs, the holding requirement of this Section 8 shall lapse as of the date of the Grantee's termination of employment or the Change in Control, as applicable.

9. Delivery of Shares. The Company's obligation to deliver shares upon the vesting of the Performance Units shall be subject to applicable laws, rules and regulations and also to such approvals by governmental agencies as may be deemed appropriate to comply with relevant securities laws and regulations.

10. No Stockholder Rights. No shares of Company Stock shall be issued to the Grantee on the Date of Grant, and the Grantee shall not be, nor have any of the rights or privileges of, a stockholder of the Company with respect to any Performance Units.

11. No Right to Continued Employment. The grant of Performance Units shall not confer upon the Grantee any right to continued employment with the Employer or interfere with the right of the Employer to terminate the Grantee's employment at any time.

12. Incorporation of Plan by Reference. The Grant Letter and these Grant Conditions are made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Committee shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Performance Units constitutes the Grantee's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, the Grant Letter, these Grant

Conditions, and the Performance Units shall be final and binding on the Grantee and any other person claiming an interest in the Performance Units.

13. Withholding Taxes. The Employer shall have the right to deduct from all payments made hereunder and from other compensation an amount equal to the federal (including FICA), state, local and foreign taxes required by law to be withheld with respect to the Performance Units. The Employer will withhold shares of Company Stock payable hereunder to satisfy the tax withholding obligation on amounts payable in shares, unless the Grantee provides a payment to the Employer to cover such taxes, in accordance with procedures established by the Committee. Unless the Committee determines otherwise, the share withholding amount shall not exceed the Grantee's minimum applicable tax withholding amount.

14. Company Policies. All amounts payable under the Grant Letter and these Grant Conditions shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Company's Board of Directors from time to time.

15. Assignment. The Grant Letter and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Performance Units, except to a successor grantee in the event of the Grantee's death.

16. Section 409A. The Grant Letter and these Grant Conditions are intended to comply with section 409A of the Code or an exemption, consistent with Section 20(h) of the Plan, including the six-month delay for specified employees in accordance with the requirements of section 409A of the Code, if applicable. In furtherance of the foregoing, if the Performance Units or related Dividend Equivalents constitute "nonqualified deferred compensation" within the meaning of section 409A of the Code, vested Performance Units and related Dividend Equivalents shall be settled on the earliest date that would be permitted under section 409A of the Code without incurring penalty or accelerated taxes thereunder.

17. Successors. The provisions of the Grant Letter and these Grant Conditions shall extend to any business that becomes a successor to the Company or its subsidiaries or affiliates on account of a merger, consolidation, sale of assets, spinoff or similar transaction with respect to any business of the Company or its subsidiaries or affiliates with which the Grantee is employed, and if this grant continues in effect after such corporate event, references to the "Company or its subsidiaries or affiliates" or the "Employer" in the Grant Letter and these Grant Conditions shall include the successor business and its affiliates, as appropriate. In that event, the Company may make such modifications to the Grant Letter and these Grant Conditions as it deems appropriate to reflect the corporate event.

18. Governing Law. The validity, construction, interpretation and effect of the Grant Letter and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the State of Delaware, excluding any conflicts or choice of law rule or principle.

\* \* \*

## **Attachment 1**

### **Definitions**

For purposes of the Grant Letter and Grant Conditions, the following terms have the meanings ascribed to them on this Attachment 1:

i. "**Company Trade Secrets**" shall mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Company Trade Secrets include, but are not limited to, the following: unique pricing methodologies and formulas for products and services of the Company or its subsidiaries or affiliates; unique marketing arrangements and strategies which the Company or its subsidiaries or affiliates use with their vendors and suppliers; and unique advertising arrangements and strategies that the Company or its subsidiaries or affiliates use to advertise their products and services. For avoidance of doubt, Company Trade Secrets do not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

ii. "**Confidential Information**" shall mean information belonging to the Company or its subsidiaries or affiliates, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to the Grantee during his employment or service with the Employer and/or the Grantee has gained access to during the Grantee's employment or service with the Employer and/or was developed by the Grantee in the course of the Grantee's employment or service with the Employer, that is proprietary and confidential in nature. Confidential Information includes, but is not limited to, the following: information believed by the Company or any of its subsidiaries or affiliates to be a Company Trade Secret that ultimately does not qualify as such under applicable law but nonetheless was maintained by the Company or its subsidiaries or affiliates as confidential; information concerning the nature of the business and manner of operation of the Company and its subsidiaries and affiliates; the methods and systems used by the Company or its subsidiaries or affiliates in soliciting, selling and providing their services and/or products to their customers; financial and accounting information, such as cost, pricing and billing information, customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning customers and



prospective customers of the Company and its subsidiaries and affiliates; information concerning vendors and suppliers of the Company and its subsidiaries and affiliates; customer lists; prospective customer lists; customer buying habits and special needs; policies and procedures; personnel records; compensation paid to employees or other service providers of the Company or any of its subsidiaries or affiliates. For avoidance of doubt, Confidential Information does not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

iii. "Injurious Conduct" shall mean the activities described in subsections (i), (ii) (including any modifications of subsection (ii) for residents of California and Colorado and other applicable jurisdictions as set forth below), (iii) and (iv) below and, for purposes of the Performance Units, shall replace the definition of "Injurious Conduct" set forth in Section 13 of the Plan.

a. The Grantee's employment or service with the Employer is terminated for willful, deliberate, or gross misconduct, as determined by the Committee, in its sole discretion;

b. During the Grantee's employment or service with the Employer and either (1) for a period of 12 months thereafter or (2) for a period of 18 months thereafter if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., the Grantee breaches any of the following:

1. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates, and in which the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or in which the Grantee learned Company Trade Secrets or Confidential Information during the Grantee's employment or service with the Employer; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive;

2. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) (x) solicit business from any person who was a customer of the Company or any of its subsidiaries or affiliates during the period of the Grantee's employment or service hereunder or who was within the six-month period prior to such solicitation, or (y) solicit potential customers who are or were identified through leads developed during the course of the Grantee's employment or service with the Employer, in each case, with whom the Grantee was involved as part of the Grantee's job

responsibilities during the Grantee's employment or service with the Employer, or regarding whom the Grantee learned Company Trade Secrets and/or Confidential Information during the Grantee's employment or service with the Employer, or (II) otherwise divert or attempt to divert any existing business of the Company or any of its subsidiaries or affiliates; and

3. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment, or (II) hire or retain any person who is, or within the six-month period prior to such hiring or retention was, an employee of the Company or any of its subsidiaries or affiliates;

c. During the Grantee's employment or service with the Employer or thereafter, the Grantee uses, publishes or discloses any Company Trade Secrets and/or Confidential Information in any manner whatsoever, except as required in the conduct of business of the Company or any of its subsidiaries or affiliates or as authorized in writing by the Company or any of its subsidiaries or affiliates, as applicable. By accepting the Performance Units, the Grantee acknowledges and agrees that (A) during the Grantee's employment or service with the Employer, the Grantee has been or will be exposed to and/or provided with Company Trade Secrets and Confidential Information and (B) Company Trade Secrets are not generally known to the public or to competitors of the Company or its subsidiaries or affiliates, were developed or compiled at significant expense by the Company or its subsidiaries or affiliates over an extended period of time, are the subject of the reasonable efforts of the Company or its subsidiaries or affiliates to maintain their secrecy, and that the Company or its subsidiaries or affiliates derive significant independent economic value by keeping Company Trade Secrets a secret; or

d. During the Grantee's employment or service with the Employer or thereafter, the Grantee breaches any other written confidentiality, non-solicitation or non-competition covenant with the Employer.

Notwithstanding the foregoing, if the Grantee is employed or provides services in Colorado, subsections (ii)(1) and (ii)(2) above shall be limited to actions taken by the Grantee through the use of Company Trade Secrets and/or Confidential Information.

Notwithstanding the foregoing, if the Grantee is employed or provides services in California, or in another jurisdiction where the provisions of subsection (ii), including (ii)(1), (ii)(2) and (ii)(3) above, are otherwise prohibited by law, the following provisions shall apply instead of subsection (ii), including (ii)(1), (ii)(2) and (ii)(3) above:

4. During the Grantee's employment or service with the Employer, the Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as

the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive.

5. During the Grantee's employment or service with the Employer and either (1) for a period of 12 months thereafter or (2) for a period of 18 months thereafter if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., the Grantee shall not, directly or indirectly, solicit or attempt to solicit any business from any of customers of the Company or any of its subsidiaries or affiliates for the purposes of providing products or services that are competitive with those provided by the Company or any of its subsidiaries or affiliates where such solicitation and/or attempt at solicitation is done by the Grantee through the use of Company Trade Secrets and/or Confidential Information.

6. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or any of its subsidiaries or affiliates, solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment.

**Exhibit 10.7**

**2021 Long-Term Time-Based Restricted Stock Unit Grant**

ARMSTRONG FLOORING, INC.  
2500 Columbia Ave., P.O. Box 3025  
Lancaster, PA 17604  
717.672.9611

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**[Participant Name]**

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I am pleased to inform you that the Company's Management Development and Compensation Committee granted you the following:

Date of Grant:	April 1, 2021
Time-Based Restricted Stock Units:	[Number of Stock Units Granted]

This grant is subject to the terms of the 2016 Long-Term Incentive Plan and the award agreement. The award agreement consists of this grant letter and the Terms and Conditions attached as Exhibit A.

Vesting - The Restricted Stock Units will vest in accordance with the following schedule, if you remain employed by the Employer through the applicable vesting date, except as described below. One share of the Company's common stock will be distributed to you for each Restricted Stock Unit that vests, within 60 days following the applicable vesting date.

<u>Vesting Date</u>	<u>Time-Based Units Vesting</u>
One year from Date of Grant	33.33%
Two years from Date of Grant	33.33%
Three years from Date of Grant	33.34%

Taxes - The Company will use share tax withholding to satisfy the minimum tax withholding obligations, unless prohibited by country law or you provide a payment to cover the taxes.

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## Employment Events

The following chart is a summary of the provisions which apply to this award in connection with your termination of employment. The following is only a summary, and in the event of termination of employment, the award will be governed by the Terms and Conditions.

Event	Provisions
Voluntary Resignation	Forfeit all unvested Restricted Stock Units and accrued dividends
Termination for Cause	Forfeit all unpaid (vested or unvested) Restricted Stock Units and accrued dividends
Involuntary Termination	If termination occurs after 10 months following the Date of Grant, Restricted Stock Units and accrued dividends vest pro-rata based on the period of employment; otherwise unvested Restricted Stock Units and accrued dividends are forfeited
<input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	Restricted Stock Units and accrued dividends vest pro-rata based on the period of employment
Involuntary Termination upon or within two years following a Change of Control	Restricted Stock Units and accrued dividends vest in full upon termination of employment

Each Restricted Stock Unit granted is credited to an account maintained for you. You have no ownership or voting rights relative to these Restricted Stock Units. If the Company makes cash dividend payments before the Restricted Stock Units are vested, the value of the dividends will accrue in a non-interest bearing bookkeeping account. You will receive a cash payment for the accrued dividend equivalents based on vesting and payment of the Restricted Stock Units.

In the event of any inconsistency between the foregoing summary and the Terms and Conditions or the 2016 Long-Term Incentive Plan, the Terms and Conditions or the 2016 Long-Term Incentive Plan, as applicable, will govern. Capitalized terms used but not defined in this grant letter will have the meanings set forth in the 2016 Long-Term Incentive Plan or the Terms and Conditions, as applicable.

**Please note that the Terms and Conditions contain restrictive covenant language pertaining to confidentiality, non-competition and non-solicitation. You should read these sections carefully before deciding whether to accept the Restricted Stock Units. If you decide not to accept the Restricted Stock Units, you will not be subject to the restrictive covenants set forth in the Terms and Conditions, but you will forfeit the Restricted Stock Units. You will continue to be subject to**

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**any restrictive covenants set forth in the 2016 Long-Term Incentive Plan with respect to prior equity grants and any other agreements between you and the Company. There will be no other consequences as a result of your decision not to accept the Restricted Stock Units.**

Please contact Steven Slutsky (484-744-9009) if you have questions.

Sincerely,

John C. Bassett  
SVP &CHRO

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**EXHIBIT A**

**ARMSTRONG FLOORING, INC.**

**2016 LONG-TERM INCENTIVE PLAN**

**TIME-BASED RESTRICTED STOCK UNIT GRANT  
TERMS AND CONDITIONS**

1. Grant.

(a) Subject to the terms set forth below, Armstrong Flooring, Inc. (the “Company”) has granted to the designated employee (the “Grantee”) an award of time-based restricted stock units (the “Time-Based Units”) as specified in the 2021 Long-Term Time-Based Restricted Stock Unit Grant Letter to which these Grant Conditions relate (the “Grant Letter”). The “Date of Grant” is April 1, 2021. The Time-Based Units are Stock Units with respect to common stock of the Company (“Company Stock”).

(b) The Time-Based Units shall be vested and payable in accordance with the schedule set forth below, if and to the extent the terms of the Grant Letter and these Grant Conditions are met.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letter. This grant is made under the Armstrong Flooring, Inc. 2016 Long-Term Incentive Plan (the “Plan”). Any terms not defined herein shall have the meanings set forth in the Plan.

2. Vesting.

(a) Except as provided in Sections 3 and 4 below, the Time-Based Units shall vest on the following dates, if the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively, the “Employer”) on the applicable dates below (each individually, a “Vesting Date”):

<u>Vesting Date</u>	<u>Time-Based Units Vesting</u>
One year from Date of Grant	33.33%
Two years from Date of Grant	33.33%
Three years from Date of Grant (the “ <u>Third Vesting Date</u> ”)	33.34%

(b) The vesting of the Time-Based Units is cumulative, but shall not exceed 100% of the Time-Based Units. If the foregoing schedule or the provisions of Section 3 would produce

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fractional units, the number of Time-Based Units vesting shall be rounded up to the nearest whole unit, but not in excess of 100% of the Time-Based Units.

3. Termination of Employment.

(a) Except as described below, if the Grantee ceases to be employed by the Employer for any reason prior to the Third Vesting Date, the unvested Time-Based Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) Subject to Section 4 below, if, prior to the Third Vesting Date, the Grantee ceases to be employed by the Employer (x) on account of death or Long-Term Disability (as defined below), or (y) after ten months following the Date of Grant, on account of Involuntary Termination (as defined below) (each, a "Qualifying Termination"), the Grantee shall vest in a pro-rated portion of the granted Time-Based Units in accordance with this Section 3(b), provided such vesting does not result in a violation of any age discrimination or other applicable law. The pro-rated portion shall be determined by multiplying the number of Time-Based Units by a fraction, the numerator of which is the number of calendar months in the period starting with (i) the first calendar month following the month in which the Date of Grant occurs through (ii) the calendar month in which the Qualifying Termination date occurs, with such final calendar month counting as a full month, and the denominator of which is 36, and subtracting the Time-Based Units that had vested as of the Qualifying Termination date in accordance with Section 2. The pro-rated Time-Based Units shall be paid within 60 days after the Grantee's termination date, as described in Section 7. The unvested Time-Based Units, if any, shall be forfeited as of the termination date and shall cease to be outstanding.

(c) If the Grantee ceases to be employed by the Employer on account of Cause (as defined below), any unpaid Time-Based Units (vested or unvested) shall be forfeited as of the termination date and shall cease to be outstanding.

4. Change in Control Involuntary Termination. Subject to Section 14 of the Plan, and notwithstanding Section 3 above, if the Grantee has an Involuntary Termination upon or within two years after a Change in Control, and prior to the Third Vesting Date, the Grantee's outstanding Time-Based Units shall become fully vested and shall be paid within 60 days after such Involuntary Termination, as described in Section 7.

5. Definitions. For purposes of these Grant Conditions and the Grant Letter:

(a) "Cause" shall mean any of the following, as determined in the sole discretion of the Employer: (i) commission of a felony or a crime involving moral turpitude; (ii) fraud, dishonesty, misrepresentation, theft or misappropriation of funds with respect to the Employer; (iii) violation of the Employer's Code of Conduct or employment policies, as in effect from time to time; (iv) breach of any written noncompetition, confidentiality or non-solicitation covenant of the Grantee with respect to the Employer; or (v) gross negligence or misconduct in the performance of the Grantee's duties with the Employer.

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- (b) “Company Trade Secrets” shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (c) “Confidential Information” shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (d) “Injurious Conduct” shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (e) “Involuntary Termination” shall mean the Employer’s termination of the Grantee’s employment other than for Cause.
- (f) “Long-Term Disability” shall mean the Grantee is receiving long-term disability benefits under the Employer’s long-term disability plan.

6. Restrictive Covenants; Forfeiture.

- (a) The Committee may determine that the Time-Based Units shall be forfeited if the Grantee engages in Injurious Conduct.
  - (b) If the Committee determines that the Grantee has engaged in Injurious Conduct, the Committee may in its discretion require the Grantee to return to the Company any Company Stock or cash received in settlement of Time-Based Units. If the Company Stock acquired in settlement of the Time-Based Units has been disposed of by the Grantee, then the Company may require the Grantee to pay to the Company the economic value of the Company Stock as of the date of disposition.
  - (c) The Committee shall exercise the right of forfeiture and recoupment provided to the Company in this Section 6 within 180 days after the Company’s discovery of the Injurious Conduct activities giving rise to the Company’s right of forfeiture or recoupment.
  - (d) The Grantee may make a request to the Committee in writing for a determination regarding whether any proposed business or activity would constitute Injurious Conduct. Such request shall fully describe the proposed business or activity. The Committee shall respond to the Grantee in writing and the Committee’s determination shall be limited to the specific business or activity so described.
  - (e) By accepting the Time-Based Units, the Grantee acknowledges and agrees that all Company Trade Secrets and Confidential Information developed, created or maintained by the Grantee, alone or with others, during the Grantee’s employment or service with the Employer, shall remain at all times the sole property of the Company and its subsidiaries and affiliates.
  - (f) This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after the Grantee’s termination or cessation of the Grantee’s employment or service with the Employer. The Grantee understands that in the event of a violation of any provision of this Section 6, the Company shall have the right to seek injunctive relief, in addition to any other existing rights provided in this Agreement or by
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operation of law, without the requirement of posting bond. The remedies provided in this Section 6 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Grantee and the Company or any of its subsidiaries or affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of this Section 6 and Attachment 1 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.

(g) By accepting the Time-Based Units, the Grantee acknowledges that the Grantee has carefully read and considered the provisions of this Section 6 and Attachment 1 and agrees that the restrictions set forth herein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company and its subsidiaries and affiliates.

(h) In the event of a breach by the Grantee of any restrictive covenant set forth on Attachment 1, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company and its subsidiaries and affiliates shall receive the benefit of the Grantee's compliance with the terms and conditions of this Section 6.

7. Payment. When Time-Based Units vest, shares of Company Stock equal to the number of vested Time-Based Units shall be issued to the Grantee within 60 days after the applicable vesting date, subject to applicable withholding for Taxes (as defined below) and subject to any six-month delay required under section 409A of the Internal Revenue Code, if applicable, and as described in Section 20(h) of the Plan. Any fractional shares will be rounded up to the nearest whole share. Notwithstanding any provision of the Plan, the Grant Letter or these Grant Conditions to the contrary, the Time-Based Units shall be settled in shares of Company Stock only.

8. Dividend Equivalents. Dividend Equivalents shall accrue with respect to Time-Based Units and shall be payable subject to the same vesting terms and other conditions as the Time-Based Units to which they relate. Dividend Equivalents shall be credited on the Time-Based Units when dividends are declared on shares of Company Stock from the Date of Grant until the payment date for the vested Time-Based Units. The Company will keep records of Dividend Equivalents in a non-interest bearing bookkeeping account for the Grantee. No interest will be credited to any such account. Vested Dividend Equivalents shall be paid in cash at the same time and subject to the same terms as the underlying vested Time-Based Units. If and to the extent that the underlying Time-Based Units are forfeited, all related Dividend Equivalents shall also be forfeited.

9. Delivery of Shares. The Company's obligation to deliver shares upon the vesting of the Time-Based Units shall be subject to applicable laws, rules and regulations and also to such approvals by governmental agencies as may be deemed appropriate to comply with relevant securities laws and regulations.

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10. No Stockholder Rights. No shares of Company Stock shall be issued to the Grantee on the Date of Grant, and the Grantee shall not be, nor have any of the rights or privileges of, a stockholder of the Company with respect to any Time-Based Units.

11. No Right to Continued Employment. The grant of Time-Based Units shall not confer upon the Grantee any right to continued employment with the Employer or interfere with the right of the Employer to terminate the Grantee's employment at any time.

12. Incorporation of Plan by Reference. The Grant Letter and these Grant Conditions are made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Management Development and Compensation Committee (the "Committee") shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Time-Based Units constitutes the Grantee's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, the Grant Letter, these Grant Conditions, and the Time-Based Units shall be final and binding on the Grantee and any other person claiming an interest in the Time-Based Units.

13. Withholding Taxes.

(a) The Employer shall have the right, and the Grantee hereby authorizes the Employer, to deduct from all payments made hereunder and from other compensation an amount equal to the federal (including FICA), state, local and foreign taxes, social insurance, payroll tax, contributions, payment on account obligations or other amounts required by law to be collected, withheld or accounted for with respect to the Time-Based Units (the "Taxes"). The Employer will withhold shares of Company Stock payable hereunder to satisfy the withholding obligation for Taxes on amounts payable in shares, unless the Grantee provides a payment to the Employer to cover such Taxes, in accordance with procedures established by the Committee. Unless the Committee determines otherwise, the share withholding amount shall not exceed the Grantee's minimum applicable withholding amount for Taxes.

(b) Regardless of any action the Employer takes with respect to any such Taxes, the Grantee acknowledges that the ultimate liability for all such Taxes legally due by the Grantee is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Employer. The Grantee further acknowledges that the Employer (i) makes no representations or undertakings regarding the treatment of any Taxes in connection with any aspect of the Time-Based Units, including the grant, vesting or settlement of the Time-Based Units and the subsequent sale of any shares of Company Stock acquired at settlement and the receipt of any Dividend Equivalents; and (ii) does not commit to structure the terms of the grant or any aspect of the Time-Based Units to reduce or eliminate the Grantee's liability for Taxes. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Employer (or the Grantee's former employer, as applicable) may be required to collect, withhold or account for Taxes in more than one jurisdiction.

14. Company Policies. All amounts payable under the Grant Letter and these Grant Conditions shall be subject to any applicable clawback or recoupment policies, share trading

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policies and other policies that may be implemented by the Company's Board of Directors from time to time.

15. Assignment. The Grant Letter and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Time-Based Units, except to a successor grantee in the event of the Grantee's death.

16. Section 409A. The Grant Letter and these Grant Conditions are intended to comply with section 409A of the Code or an exemption, consistent with Section 20(h) of the Plan, including the six-month delay for specified employees in accordance with the requirements of section 409A of the Code, if applicable. In furtherance of the foregoing, if the Time-Based Units or related Dividend Equivalents constitute "nonqualified deferred compensation" within the meaning of section 409A of the Code, vested Time-Based Units and related Dividend Equivalents shall be settled on the earliest date that would be permitted under section 409A of the Code without incurring penalty or accelerated taxes thereunder.

17. Successors. The provisions of the Grant Letter and these Grant Conditions shall extend to any business that becomes a successor to the Company or its subsidiaries or affiliates on account of a merger, consolidation, sale of assets, spinoff or similar transaction with respect to any business of the Company or its subsidiaries or affiliates with which the Grantee is employed, and if this grant continues in effect after such corporate event, references to the "Company or its subsidiaries or affiliates" or the "Employer" in the Grant Letter and these Grant Conditions shall include the successor business and its affiliates, as appropriate. In that event, the Company may make such modifications to the Grant Letter and these Grant Conditions as it deems appropriate to reflect the corporate event.

18. Governing Law. The validity, construction, interpretation and effect of the Grant Letter and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the State of Delaware, excluding any conflicts or choice of law rule or principle.

19. No Entitlement or Claims for Compensation. In connection with the acceptance of the grant of the Time-Based Units under the Grant Letter and these Grant Conditions, the Grantee acknowledges the following:

- (a) the Plan is established voluntarily by the Company, the grant of the Time-Based Units under the Plan is made at the discretion of the Committee and the Plan may be modified, amended, suspended or terminated by the Company at any time;
  - (b) the grant of the Time-Based Units under the Plan is voluntary and occasional and does not create any contractual or other right to receive future grants of Time-Based Units, or benefits in lieu of them, even if Time-Based Units have been granted repeatedly in the past;
  - (c) all decisions with respect to future grants of Time-Based Units, if any, will be at the sole discretion of the Committee;
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(d) the Grantee is voluntarily participating in the Plan;

(e) the Time-Based Units and any shares of Company Stock acquired under the Plan are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Employer (including, as applicable, the Grantee's employer) and which are outside the scope of the Grantee's employment contract, if any;

(f) the Time-Based Units and any shares of Company Stock acquired under the Plan are not to be considered part of the Grantee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the Time-Based Units and the shares of Company Stock subject to the award are not intended to replace any pension rights or compensation;

(h) the grant of Time-Based Units and the Grantee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Employer;

(i) the future value of the underlying shares of Company Stock is unknown and cannot be predicted with certainty. If the Grantee vests in the Time-Based Units and receives shares of Company Stock, the value of the acquired shares may increase or decrease. The Grantee understands that the Company is not responsible for any foreign exchange fluctuation between the United States Dollar and the Grantee's local currency that may affect the value of the Time-Based Units or the shares of Company Stock; and

(j) the Grantee shall have no rights, claim or entitlement to compensation or damages as a result of the Grantee's cessation of employment (for any reason whatsoever, whether or not in breach of contract or local labor law or the terms of the Grantee's employment agreement, if any), insofar as these rights, claim or entitlement arise or may arise from the Grantee's ceasing to have rights under or be entitled to receive shares of Company Stock under or ceasing to have the opportunity to participate in the Plan as a result of such cessation or loss or diminution in value of the Time-Based Units or any of the shares of Company Stock acquired thereunder as a result of such cessation, and the Grantee irrevocably releases the Employer from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then the Grantee shall be deemed to have irrevocably waived the Grantee's entitlement to pursue such rights or claim.

20. **Data Privacy.**

(a) **The Grantee hereby explicitly, willingly and unambiguously consents to the collection, systematization, accumulation, storage, blocking, destruction, use, disclosure and transfer, in electronic or other form, of the Grantee's personal data as described in these Grant Conditions by and among, as applicable, the Grantee's employer, the**

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Company or its subsidiaries or affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.

(b) The Grantee understands that the Grantee's employer, the Company or its subsidiaries or affiliates, as applicable, hold certain personal information and sensitive personal information about the Grantee regarding the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's participation in the Plan, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or its subsidiaries or affiliates, details of all options, awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan (the "Data").

(c) The Grantee understands that the Data may be transferred, including any cross-border, transfer to the Company, its subsidiaries and affiliates and, to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Grantee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party. The Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

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## **Attachment 1**

### **Definitions**

For purposes of the Grant Letter and Grant Conditions, the following terms have the meanings ascribed to them on this Attachment 1:

i. “Company Trade Secrets” shall mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain it secrecy. Company Trade Secrets include, but are not limited to, the following: unique pricing methodologies and formulas for products and services of the Company or its subsidiaries or affiliates; unique marketing arrangements and strategies which the Company or its subsidiaries or affiliates use with their vendors and suppliers; and unique advertising arrangements and strategies that the Company or its subsidiaries or affiliates use to advertise their products and services. For avoidance of doubt, Company Trade Secrets do not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee’s possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee’s own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

ii. “Confidential Information” shall mean information belonging to the Company or its subsidiaries or affiliates, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to the Grantee during his employment or service with the Employer and/or the Grantee has gained access to during the Grantee’s employment or service with the Employer and/or was developed by the Grantee in the course of the Grantee’s employment or service with the Employer, that is proprietary and confidential in nature. Confidential Information includes, but is not limited to, the following: information believed by the Company or any of its subsidiaries or affiliates to be a Company Trade Secret that ultimately does not qualify as such under applicable law but nonetheless was maintained by the Company or its subsidiaries or affiliates as confidential; information concerning the nature of the business and manner of operation of the Company and its subsidiaries and affiliates; the methods and systems used by the Company or its subsidiaries or affiliates in soliciting, selling and providing their services and/or products to their customers; financial and accounting information, such as cost, pricing and billing information, customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning customers and

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prospective customers of the Company and its subsidiaries and affiliates; information concerning vendors and suppliers of the Company and its subsidiaries and affiliates; customer lists; prospective customer lists; customer buying habits and special needs; policies and procedures; personnel records; compensation paid to employees or other service providers of the Company or any of its subsidiaries or affiliates. For avoidance of doubt, Confidential Information does not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

iii. "Injurious Conduct" shall mean the activities described in subsections (i), (ii) (including any modifications of subsection (ii) for residents of California and other applicable jurisdictions as set forth below), (iii) and (iv) below and, for purposes of the Time-Based Units, shall replace the definition of "Injurious Conduct" set forth in Section 13 of the Plan.

a. The Grantee's employment or service with the Employer is terminated for willful, deliberate, or gross misconduct, as determined by the Committee, in its sole discretion;

b. During the Grantee's employment or service with the Employer and for a period of 24 months thereafter, the Grantee breaches any of the following:

1. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates, and in which the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or in which the Grantee learned Company Trade Secrets or Confidential Information during the Grantee's employment or service with the Employer; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive;

2. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) (x) solicit business from any person who was a customer of the Company or any of its subsidiaries or affiliates during the period of the Grantee's employment or service hereunder or who was within the six-month period prior to such solicitation, or (y) solicit potential customers who are or were identified through leads developed during the course of the Grantee's employment or service with the Employer, in each case, with whom the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or regarding whom the Grantee learned Company Trade Secrets and/or Confidential Information during the

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Grantee's employment or service with the Employer, or (II) otherwise divert or attempt to divert any existing business of the Company or any of its subsidiaries or affiliates; and

3. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment, or (II) hire or retain any person who is, or within the six-month period prior to such hiring or retention was, an employee of the Company or any of its subsidiaries or affiliates;

c. During the Grantee's employment or service with the Employer or thereafter, the Grantee uses, publishes or discloses any Company Trade Secrets and/or Confidential Information in any manner whatsoever, except as required in the conduct of business of the Company or any of its subsidiaries or affiliates or as authorized in writing by the Company or any of its subsidiaries or affiliates, as applicable. By accepting the Time-Based Units, the Grantee acknowledges and agrees that (A) during the Grantee's employment or service with the Employer, the Grantee has been or will be exposed to and/or provided with Company Trade Secrets and Confidential Information and (B) Company Trade Secrets are not generally known to the public or to competitors of the Company or its subsidiaries or affiliates, were developed or compiled at significant expense by the Company or its subsidiaries or affiliates over an extended period of time, are the subject of the reasonable efforts of the Company or its subsidiaries or affiliates to maintain their secrecy, and that the Company or its subsidiaries or affiliates derive significant independent economic value by keeping Company Trade Secrets a secret; or

d. During the Grantee's employment or service with the Employer or thereafter, the Grantee breaches any other written confidentiality, non-solicitation or non-competition covenant with the Employer.

Exhibit 10.8

**2021 Long-Term Time-Based Restricted Stock Unit Grant**

ARMSTRONG FLOORING, INC.  
2500 Columbia Ave., P.O. Box 3025  
Lancaster, PA 17604  
717.672.9611

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[Participant Name]

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I am pleased to inform you that the Company's Management Development and Compensation Committee granted you the following:

Date of Grant: April 1, 2021  
Time-Based Restricted Stock Units: [Number of Stock Units Granted]

This grant is subject to the terms of the 2016 Long-Term Incentive Plan and the award agreement. The award agreement consists of this grant letter and the Terms and Conditions attached as Exhibit A.

Vesting - The Restricted Stock Units will vest in accordance with the following schedule, if you remain employed by the Employer through the applicable vesting date, except as described below. One share of the Company's common stock will be distributed to you for each Restricted Stock Unit that vests, within 60 days following the applicable vesting date.

<u>Vesting Date</u>	<u>Time-Based Units Vesting</u>
One year from Date of Grant	33.33%
Two years from Date of Grant	33.33%
Three years from Date of Grant	33.34%

Taxes - The Company will use share tax withholding to satisfy the minimum tax withholding obligations, unless prohibited by country law or you provide a payment to cover the taxes.

Employment Events

The following chart is a summary of the provisions which apply to this award in connection with your termination of employment. The following is only a summary, and in the event of termination of employment, the award will be governed by the Terms and Conditions.

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Event	Provisions
Voluntary Resignation	Forfeit all unvested Restricted Stock Units and accrued dividends
Termination for Cause	Forfeit all unpaid (vested or unvested) Restricted Stock Units and accrued dividends
Involuntary Termination	If termination occurs after 10 months following the Date of Grant, Restricted Stock Units and accrued dividends vest pro-rata based on the period of employment; otherwise unvested Restricted Stock Units and accrued dividends are forfeited
<input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	Restricted Stock Units and accrued dividends vest pro-rata based on the period of employment
Involuntary Termination upon or within two years following a Change of Control	Restricted Stock Units and accrued dividends vest in full upon termination of employment

Each Restricted Stock Unit granted is credited to an account maintained for you. You have no ownership or voting rights relative to these Restricted Stock Units. If the Company makes cash dividend payments before the Restricted Stock Units are vested, the value of the dividends will accrue in a non-interest bearing bookkeeping account. You will receive a cash payment for the accrued dividend equivalents based on vesting and payment of the Restricted Stock Units.

In the event of any inconsistency between the foregoing summary and the Terms and Conditions or the 2016 Long-Term Incentive Plan, the Terms and Conditions or the 2016 Long-Term Incentive Plan, as applicable, will govern. Capitalized terms used but not defined in this grant letter will have the meanings set forth in the 2016 Long-Term Incentive Plan or the Terms and Conditions, as applicable.

**Please note that the Terms and Conditions contain restrictive covenant language pertaining to confidentiality, non-competition and non-solicitation. You should read these sections carefully before deciding whether to accept the Restricted Stock Units. If you decide not to accept the Restricted Stock Units, you will not be subject to the restrictive covenants set forth in the Terms and Conditions, but you will forfeit the Restricted Stock Units. You will continue to be subject to any restrictive covenants set forth in the 2016 Long-Term Incentive Plan with respect to prior equity grants and any other agreements between you and the Company. There will be no other consequences as a result of your decision not to accept the Restricted Stock Units.**

Please contact Steven Slutsky (484-744-9009) if you have questions.

Sincerely,

Michel S. Vermette  
President and Chief Executive Officer

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**EXHIBIT A**

**ARMSTRONG FLOORING, INC.**

**2016 LONG-TERM INCENTIVE PLAN**

**TIME-BASED RESTRICTED STOCK UNIT GRANT  
TERMS AND CONDITIONS**

1. Grant.

(a) Subject to the terms set forth below, Armstrong Flooring, Inc. (the “Company”) has granted to the designated employee (the “Grantee”) an award of time-based restricted stock units (the “Time-Based Units”) as specified in the 2021 Long-Term Time-Based Restricted Stock Unit Grant Letter to which these Grant Conditions relate (the “Grant Letter”). The “Date of Grant” is April 1, 2021. The Time-Based Units are Stock Units with respect to common stock of the Company (“Company Stock”).

(b) The Time-Based Units shall be vested and payable in accordance with the schedule set forth below, if and to the extent the terms of the Grant Letter and these Grant Conditions are met.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letter. This grant is made under the Armstrong Flooring, Inc. 2016 Long-Term Incentive Plan (the “Plan”). Any terms not defined herein shall have the meanings set forth in the Plan.

2. Vesting.

(a) Except as provided in Sections 3 and 4 below, the Time-Based Units shall vest on the following dates, if the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively, the “Employer”) on the applicable dates below (each individually, a “Vesting Date”):

<u>Vesting Date</u>	<u>Time-Based Units Vesting</u>
One year from Date of Grant	33.33%
Two years from Date of Grant	33.33%
Three years from Date of Grant (the “ <u>Third Vesting Date</u> ”)	33.34%

(b) The vesting of the Time-Based Units is cumulative, but shall not exceed 100% of the Time-Based Units. If the foregoing schedule or the provisions of Section 3 would produce

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fractional units, the number of Time-Based Units vesting shall be rounded up to the nearest whole unit, but not in excess of 100% of the Time-Based Units.

3. Termination of Employment.

(a) Except as described below, if the Grantee ceases to be employed by the Employer for any reason prior to the Third Vesting Date, the unvested Time-Based Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) Subject to Section 4 below, if, prior to the Third Vesting Date, the Grantee ceases to be employed by the Employer (x) on account of death or Long-Term Disability (as defined below), or (y) after ten months following the Date of Grant, on account of Involuntary Termination (as defined below) (each, a "Qualifying Termination"), the Grantee shall vest in a pro-rated portion of the granted Time-Based Units in accordance with this Section 3(b), provided such vesting does not result in a violation of any age discrimination or other applicable law. The pro-rated portion shall be determined by multiplying the number of Time-Based Units by a fraction, the numerator of which is the number of calendar months in the period starting with (i) the first calendar month following the month in which the Date of Grant occurs through (ii) the calendar month in which the Qualifying Termination date occurs, with such final calendar month counting as a full month, and the denominator of which is 36, and subtracting the Time-Based Units that had vested as of the Qualifying Termination date in accordance with Section 2. The pro-rated Time-Based Units shall be paid within 60 days after the Grantee's termination date, as described in Section 7. The unvested Time-Based Units, if any, shall be forfeited as of the termination date and shall cease to be outstanding.

(c) If the Grantee ceases to be employed by the Employer on account of Cause (as defined below), any unpaid Time-Based Units (vested or unvested) shall be forfeited as of the termination date and shall cease to be outstanding.

4. Change in Control Involuntary Termination. Subject to Section 14 of the Plan, and notwithstanding Section 3 above, if the Grantee has an Involuntary Termination upon or within two years after a Change in Control, and prior to the Third Vesting Date, the Grantee's outstanding Time-Based Units shall become fully vested and shall be paid within 60 days after such Involuntary Termination, as described in Section 7.

5. Definitions. For purposes of these Grant Conditions and the Grant Letter:

(a) "Cause" shall mean any of the following, as determined in the sole discretion of the Employer: (i) commission of a felony or a crime involving moral turpitude; (ii) fraud, dishonesty, misrepresentation, theft or misappropriation of funds with respect to the Employer; (iii) violation of the Employer's Code of Conduct or employment policies, as in effect from time to time; (iv) breach of any written noncompetition, confidentiality or non-solicitation covenant of the Grantee with respect to the Employer; or (v) gross negligence or misconduct in the performance of the Grantee's duties with the Employer.

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- (b) “Company Trade Secrets” shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (c) “Confidential Information” shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (d) “Injurious Conduct” shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.
- (e) “Involuntary Termination” shall mean the Employer’s termination of the Grantee’s employment other than for Cause.
- (f) “Long-Term Disability” shall mean the Grantee is receiving long-term disability benefits under the Employer’s long-term disability plan.

6. Restrictive Covenants; Forfeiture.

- (a) The Committee may determine that the Time-Based Units shall be forfeited if the Grantee engages in Injurious Conduct.
  - (b) If the Committee determines that the Grantee has engaged in Injurious Conduct, the Committee may in its discretion require the Grantee to return to the Company any Company Stock or cash received in settlement of Time-Based Units. If the Company Stock acquired in settlement of the Time-Based Units has been disposed of by the Grantee, then the Company may require the Grantee to pay to the Company the economic value of the Company Stock as of the date of disposition.
  - (c) The Committee shall exercise the right of forfeiture and recoupment provided to the Company in this Section 6 within 180 days after the Company’s discovery of the Injurious Conduct activities giving rise to the Company’s right of forfeiture or recoupment.
  - (d) The Grantee may make a request to the Committee in writing for a determination regarding whether any proposed business or activity would constitute Injurious Conduct. Such request shall fully describe the proposed business or activity. The Committee shall respond to the Grantee in writing and the Committee’s determination shall be limited to the specific business or activity so described.
  - (e) By accepting the Time-Based Units, the Grantee acknowledges and agrees that all Company Trade Secrets and Confidential Information developed, created or maintained by the Grantee, alone or with others, during the Grantee’s employment or service with the Employer, shall remain at all times the sole property of the Company and its subsidiaries and affiliates.
  - (f) This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after the Grantee’s termination or cessation of the Grantee’s employment or service with the Employer. The Grantee understands that in the event of a violation of any provision of this Section 6, the Company shall have the right to seek injunctive relief, in addition to any other existing rights provided in this Agreement or by
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operation of law, without the requirement of posting bond. The remedies provided in this Section 6 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Grantee and the Company or any of its subsidiaries or affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of this Section 6 and Attachment 1 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.

(g) By accepting the Time-Based Units, the Grantee acknowledges that the Grantee has carefully read and considered the provisions of this Section 6 and Attachment 1 and agrees that the restrictions set forth herein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company and its subsidiaries and affiliates.

(h) In the event of a breach by the Grantee of any restrictive covenant set forth on Attachment 1, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach is remedied so that the Company and its subsidiaries and affiliates shall receive the benefit of the Grantee's compliance with the terms and conditions of this Section 6.

7. Payment. When Time-Based Units vest, shares of Company Stock equal to the number of vested Time-Based Units shall be issued to the Grantee within 60 days after the applicable vesting date, subject to applicable withholding for Taxes (as defined below) and subject to any six-month delay required under section 409A of the Internal Revenue Code, if applicable, and as described in Section 20(h) of the Plan. Any fractional shares will be rounded up to the nearest whole share. Notwithstanding any provision of the Plan, the Grant Letter or these Grant Conditions to the contrary, the Time-Based Units shall be settled in shares of Company Stock only.

8. Dividend Equivalents. Dividend Equivalents shall accrue with respect to Time-Based Units and shall be payable subject to the same vesting terms and other conditions as the Time-Based Units to which they relate. Dividend Equivalents shall be credited on the Time-Based Units when dividends are declared on shares of Company Stock from the Date of Grant until the payment date for the vested Time-Based Units. The Company will keep records of Dividend Equivalents in a non-interest bearing bookkeeping account for the Grantee. No interest will be credited to any such account. Vested Dividend Equivalents shall be paid in cash at the same time and subject to the same terms as the underlying vested Time-Based Units. If and to the extent that the underlying Time-Based Units are forfeited, all related Dividend Equivalents shall also be forfeited.

9. Delivery of Shares. The Company's obligation to deliver shares upon the vesting of the Time-Based Units shall be subject to applicable laws, rules and regulations and also to such approvals by governmental agencies as may be deemed appropriate to comply with relevant securities laws and regulations.

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10. No Stockholder Rights. No shares of Company Stock shall be issued to the Grantee on the Date of Grant, and the Grantee shall not be, nor have any of the rights or privileges of, a stockholder of the Company with respect to any Time-Based Units.

11. No Right to Continued Employment. The grant of Time-Based Units shall not confer upon the Grantee any right to continued employment with the Employer or interfere with the right of the Employer to terminate the Grantee's employment at any time.

12. Incorporation of Plan by Reference. The Grant Letter and these Grant Conditions are made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Management Development and Compensation Committee (the "Committee") shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Time-Based Units constitutes the Grantee's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, the Grant Letter, these Grant Conditions, and the Time-Based Units shall be final and binding on the Grantee and any other person claiming an interest in the Time-Based Units.

13. Withholding Taxes.

(a) The Employer shall have the right, and the Grantee hereby authorizes the Employer, to deduct from all payments made hereunder and from other compensation an amount equal to the federal (including FICA), state, local and foreign taxes, social insurance, payroll tax, contributions, payment on account obligations or other amounts required by law to be collected, withheld or accounted for with respect to the Time-Based Units (the "Taxes"). The Employer will withhold shares of Company Stock payable hereunder to satisfy the withholding obligation for Taxes on amounts payable in shares, unless the Grantee provides a payment to the Employer to cover such Taxes, in accordance with procedures established by the Committee. Unless the Committee determines otherwise, the share withholding amount shall not exceed the Grantee's minimum applicable withholding amount for Taxes.

(b) Regardless of any action the Employer takes with respect to any such Taxes, the Grantee acknowledges that the ultimate liability for all such Taxes legally due by the Grantee is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Employer. The Grantee further acknowledges that the Employer (i) makes no representations or undertakings regarding the treatment of any Taxes in connection with any aspect of the Time-Based Units, including the grant, vesting or settlement of the Time-Based Units and the subsequent sale of any shares of Company Stock acquired at settlement and the receipt of any Dividend Equivalents; and (ii) does not commit to structure the terms of the grant or any aspect of the Time-Based Units to reduce or eliminate the Grantee's liability for Taxes. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Employer (or the Grantee's former employer, as applicable) may be required to collect, withhold or account for Taxes in more than one jurisdiction.

14. Company Policies. All amounts payable under the Grant Letter and these Grant Conditions shall be subject to any applicable clawback or recoupment policies, share trading

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policies and other policies that may be implemented by the Company's Board of Directors from time to time.

15. Assignment. The Grant Letter and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Time-Based Units, except to a successor grantee in the event of the Grantee's death.

16. Section 409A. The Grant Letter and these Grant Conditions are intended to comply with section 409A of the Code or an exemption, consistent with Section 20(h) of the Plan, including the six-month delay for specified employees in accordance with the requirements of section 409A of the Code, if applicable. In furtherance of the foregoing, if the Time-Based Units or related Dividend Equivalents constitute "nonqualified deferred compensation" within the meaning of section 409A of the Code, vested Time-Based Units and related Dividend Equivalents shall be settled on the earliest date that would be permitted under section 409A of the Code without incurring penalty or accelerated taxes thereunder.

17. Successors. The provisions of the Grant Letter and these Grant Conditions shall extend to any business that becomes a successor to the Company or its subsidiaries or affiliates on account of a merger, consolidation, sale of assets, spinoff or similar transaction with respect to any business of the Company or its subsidiaries or affiliates with which the Grantee is employed, and if this grant continues in effect after such corporate event, references to the "Company or its subsidiaries or affiliates" or the "Employer" in the Grant Letter and these Grant Conditions shall include the successor business and its affiliates, as appropriate. In that event, the Company may make such modifications to the Grant Letter and these Grant Conditions as it deems appropriate to reflect the corporate event.

18. Governing Law. The validity, construction, interpretation and effect of the Grant Letter and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the State of Delaware, excluding any conflicts or choice of law rule or principle.

19. No Entitlement or Claims for Compensation. In connection with the acceptance of the grant of the Time-Based Units under the Grant Letter and these Grant Conditions, the Grantee acknowledges the following:

(a) the Plan is established voluntarily by the Company, the grant of the Time-Based Units under the Plan is made at the discretion of the Committee and the Plan may be modified, amended, suspended or terminated by the Company at any time;

(b) the grant of the Time-Based Units under the Plan is voluntary and occasional and does not create any contractual or other right to receive future grants of Time-Based Units, or benefits in lieu of them, even if Time-Based Units have been granted repeatedly in the past;

(c) all decisions with respect to future grants of Time-Based Units, if any, will be at the sole discretion of the Committee;

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(d) the Grantee is voluntarily participating in the Plan;

(e) the Time-Based Units and any shares of Company Stock acquired under the Plan are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Employer (including, as applicable, the Grantee's employer) and which are outside the scope of the Grantee's employment contract, if any;

(f) the Time-Based Units and any shares of Company Stock acquired under the Plan are not to be considered part of the Grantee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the Time-Based Units and the shares of Company Stock subject to the award are not intended to replace any pension rights or compensation;

(h) the grant of Time-Based Units and the Grantee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Employer;

(i) the future value of the underlying shares of Company Stock is unknown and cannot be predicted with certainty. If the Grantee vests in the Time-Based Units and receives shares of Company Stock, the value of the acquired shares may increase or decrease. The Grantee understands that the Company is not responsible for any foreign exchange fluctuation between the United States Dollar and the Grantee's local currency that may affect the value of the Time-Based Units or the shares of Company Stock; and

(j) the Grantee shall have no rights, claim or entitlement to compensation or damages as a result of the Grantee's cessation of employment (for any reason whatsoever, whether or not in breach of contract or local labor law or the terms of the Grantee's employment agreement, if any), insofar as these rights, claim or entitlement arise or may arise from the Grantee's ceasing to have rights under or be entitled to receive shares of Company Stock under or ceasing to have the opportunity to participate in the Plan as a result of such cessation or loss or diminution in value of the Time-Based Units or any of the shares of Company Stock acquired thereunder as a result of such cessation, and the Grantee irrevocably releases the Employer from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then the Grantee shall be deemed to have irrevocably waived the Grantee's entitlement to pursue such rights or claim.

20. **Data Privacy.**

(a) **The Grantee hereby explicitly, willingly and unambiguously consents to the collection, systematization, accumulation, storage, blocking, destruction, use, disclosure and transfer, in electronic or other form, of the Grantee's personal data as described in these Grant Conditions by and among, as applicable, the Grantee's employer, the**

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Company or its subsidiaries or affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.

(b) The Grantee understands that the Grantee's employer, the Company or its subsidiaries or affiliates, as applicable, hold certain personal information and sensitive personal information about the Grantee regarding the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's participation in the Plan, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or its subsidiaries or affiliates, details of all options, awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan (the "Data").

(c) The Grantee understands that the Data may be transferred, including any cross-border, transfer to the Company, its subsidiaries and affiliates and, to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Grantee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party. The Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

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## **Attachment 1**

### **Definitions**

For purposes of the Grant Letter and Grant Conditions, the following terms have the meanings ascribed to them on this Attachment 1:

i. “Company Trade Secrets” shall mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain it secrecy. Company Trade Secrets include, but are not limited to, the following: unique pricing methodologies and formulas for products and services of the Company or its subsidiaries or affiliates; unique marketing arrangements and strategies which the Company or its subsidiaries or affiliates use with their vendors and suppliers; and unique advertising arrangements and strategies that the Company or its subsidiaries or affiliates use to advertise their products and services. For avoidance of doubt, Company Trade Secrets do not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee’s possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee’s own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

ii. “Confidential Information” shall mean information belonging to the Company or its subsidiaries or affiliates, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to the Grantee during his employment or service with the Employer and/or the Grantee has gained access to during the Grantee’s employment or service with the Employer and/or was developed by the Grantee in the course of the Grantee’s employment or service with the Employer, that is proprietary and confidential in nature. Confidential Information includes, but is not limited to, the following: information believed by the Company or any of its subsidiaries or affiliates to be a Company Trade Secret that ultimately does not qualify as such under applicable law but nonetheless was maintained by the Company or its subsidiaries or affiliates as confidential; information concerning the nature of the business and manner of operation of the Company and its subsidiaries and affiliates; the methods and systems used by the Company or its subsidiaries or affiliates in soliciting, selling and providing their services and/or products to their customers; financial and accounting information, such as cost, pricing and billing information, customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning customers and

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prospective customers of the Company and its subsidiaries and affiliates; information concerning vendors and suppliers of the Company and its subsidiaries and affiliates; customer lists; prospective customer lists; customer buying habits and special needs; policies and procedures; personnel records; compensation paid to employees or other service providers of the Company or any of its subsidiaries or affiliates. For avoidance of doubt, Confidential Information does not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

iii. "Injurious Conduct" shall mean the activities described in subsections (i), (ii) (including any modifications of subsection (ii) for residents of California or Colorado and other applicable jurisdictions as set forth below), (iii) and (iv) below and, for purposes of the Time-Based Units, shall replace the definition of "Injurious Conduct" set forth in Section 13 of the Plan.

a. The Grantee's employment or service with the Employer is terminated for willful, deliberate, or gross misconduct, as determined by the Committee, in its sole discretion;

b. During the Grantee's employment or service with the Employer and either (1) for a period of 12 months thereafter or (2) for a period of 18 months thereafter if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., the Grantee breaches any of the following:

1. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates, and in which the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or in which the Grantee learned Company Trade Secrets or Confidential Information during the Grantee's employment or service with the Employer; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive;

2. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) (x) solicit business from any person who was a customer of the Company or any of its subsidiaries or affiliates during the period of the Grantee's employment or service hereunder or who was within the six-month period prior to such solicitation, or (y) solicit potential customers who are or were identified through leads developed during the course of the Grantee's employment or service with the

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Employer, in each case, with whom the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or regarding whom the Grantee learned Company Trade Secrets and/or Confidential Information during the Grantee's employment or service with the Employer, or (II) otherwise divert or attempt to divert any existing business of the Company or any of its subsidiaries or affiliates; and

3. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment, or (II) hire or retain any person who is, or within the six-month period prior to such hiring or retention was, an employee of the Company or any of its subsidiaries or affiliates;

c. During the Grantee's employment or service with the Employer or thereafter, the Grantee uses, publishes or discloses any Company Trade Secrets and/or Confidential Information in any manner whatsoever, except as required in the conduct of business of the Company or any of its subsidiaries or affiliates or as authorized in writing by the Company or any of its subsidiaries or affiliates, as applicable. By accepting the Time-Based Units, the Grantee acknowledges and agrees that (A) during the Grantee's employment or service with the Employer, the Grantee has been or will be exposed to and/or provided with Company Trade Secrets and Confidential Information and (B) Company Trade Secrets are not generally known to the public or to competitors of the Company or its subsidiaries or affiliates, were developed or compiled at significant expense by the Company or its subsidiaries or affiliates over an extended period of time, are the subject of the reasonable efforts of the Company or its subsidiaries or affiliates to maintain their secrecy, and that the Company or its subsidiaries or affiliates derive significant independent economic value by keeping Company Trade Secrets a secret; or

d. During the Grantee's employment or service with the Employer or thereafter, the Grantee breaches any other written confidentiality, non-solicitation or non-competition covenant with the Employer.

Notwithstanding the foregoing, if the Grantee is employed or provides services in Colorado, subsections (ii)(A) and (ii)(B) above shall be limited to actions taken by the Grantee through the use of Company Trade Secrets and/or Confidential Information

Notwithstanding the foregoing, if the Grantee is employed or provides services in California, or in another jurisdiction where the provisions of subsection (ii), including (ii)(A), (ii)(B) and (ii)(C) above, are otherwise prohibited by law, the following provisions shall apply instead of subsection (ii), including (ii)(A), (ii)(B) and (ii)(C) above:

4. During the Grantee's employment or service with the Employer, the Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the Company or any of its subsidiaries or affiliates; provided, however, that this provision

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shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive.

5. During the Grantee's employment or service with the Employer and either (1) for a period of 12 months thereafter or (2) for a period of 18 months thereafter if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., the Grantee shall not, directly or indirectly, solicit or attempt to solicit any business from any of customers of the Company or any of its subsidiaries or affiliates for the purposes of providing products or services that are competitive with those provided by the Company or any of its subsidiaries or affiliates where such solicitation and/or attempt at solicitation is done by the Grantee through the use of Company Trade Secrets and/or Confidential Information.

6. The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or any of its subsidiaries or affiliates, solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment.



**Exhibit 10.9**

**2021 Long-Term Time-Based Cash Award**

**ARMSTRONG FLOORING, INC.**  
2500 Columbia Ave., P.O. Box 3025  
Lancaster, PA 17604  
717.672.9611

—  
[Grantee Name]  
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I am pleased to inform you that the Company's Management Development and Compensation Committee granted you the following:

Date of Grant: April 1, 2021  
Time-Based Cash Award: [Cash Amount]

This grant is subject to the terms of this award agreement. The award agreement consists of this grant letter and the Terms and Conditions attached as Exhibit A.

Vesting - The Cash Award will vest on April 1, 2023, if you remain employed by the Employer through such vesting date, except as described below. The Cash Award is payable in a single lump sum cash payment (subject to applicable withholding for taxes).

Employment Events

The following chart is a summary of the provisions which apply to this award in connection with your termination of employment. The following is only a summary, and in the event of termination of employment, the award will be governed by the Terms and Conditions.

<b>Event</b>	<b>Provisions</b>
Voluntary Resignation	Forfeit the unvested Cash Award
Termination for Cause	Forfeit the unpaid (vested or unvested) Cash Award
Involuntary Termination	If termination occurs after 10 months following the Date of Grant, the Cash Award vests pro-rata based on the period of employment; otherwise unvested portion of Cash Award is forfeited
<input type="checkbox"/> Death <input type="checkbox"/> Long-Term Disability	Cash Award vests pro-rata based on the period of employment
Involuntary Termination upon or within two years following a Change of Control	Cash Award vests in full upon termination of employment

In the event of any inconsistency between the foregoing summary and the Terms and Conditions, the Terms and Conditions will govern. Capitalized terms used but not defined in this grant letter will have the meanings set forth in the Terms and Conditions.

**Please note that the Terms and Conditions contain restrictive covenant language pertaining to confidentiality, non-competition and non-solicitation. You should read these sections carefully before deciding whether to accept the Cash Award. If you decide not to accept the Cash Award, you will not be subject to the restrictive covenants set forth in the Terms and Conditions, but you will forfeit the Cash Award. You will continue to be subject to any restrictive covenants set forth in the 2016 Long-Term Incentive Plan with respect to any equity grants made to you under such plan and any restrictive covenants set forth in any other agreements between you and the Company. There will be no other consequences as a result of your decision not to accept the Cash Award.**

Please contact Steven Slutsky (484-744-9009) if you have questions.

Sincerely,

Michel Vermette

President and Chief Executive Officer

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**EXHIBIT A**

**ARMSTRONG FLOORING, INC.**

**TIME-BASED CASH AWARD**

**TERMS AND CONDITIONS**

1. Grant.

(a) Subject to the terms set forth below, Armstrong Flooring, Inc. (the "Company") has granted to the designated employee (the "Grantee") a time-based cash award (the "Cash Award") as specified in the 2021 Long-Term Time-Based Cash Award Grant Letter to which these Grant Conditions relate (the "Grant Letter"). The "Date of Grant" is April 1, 2021. The Cash Award entitles the Grantee to receive a cash bonus payment from the Grantee's employer subject to the terms set forth below.

(b) The Cash Award shall be vested and payable in accordance with the schedule set forth below, if and to the extent the terms of the Grant Letter and these Grant Conditions are met.

(c) These Terms and Conditions (the "Grant Conditions") are part of the Grant Letter.

2. Vesting. Except as provided in Sections 3 and 4 below, the Cash Award shall vest on April 1, 2023, if the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively, the "Employer") on such date (the "Vesting Date");

3. Termination of Employment.

(a) Except as described below, if the Grantee ceases to be employed by the Employer for any reason prior to the Vesting Date, the unvested Cash Award shall be forfeited as of the termination date and shall cease to be outstanding.

(b) Subject to Section 4 below, if, prior to the Vesting Date, the Grantee ceases to be employed by the Employer (x) on account of death or Long-Term Disability (as defined below), or (y) after ten months following the Date of Grant, on account of Involuntary Termination (as defined below), the Grantee shall vest in a pro-rated portion of the granted Cash Award in accordance with this Section 3(b), provided such vesting does not result in a violation of any age discrimination or other applicable law. The pro-rated portion shall be determined by multiplying the amount of the Cash Award by a fraction, the numerator of which is the number of calendar months in the period starting with (i) the first calendar month following the month in which the Date of Grant occurs through (ii) the calendar month in which the Involuntary Termination date occurs, with such final calendar month counting as a full month, and the denominator of which is

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24. The pro-rated Cash Award shall be paid within 60 days after the Grantee's termination date, as described in Section 7. The unvested Cash Award, if any, shall be forfeited as of the termination date and shall cease to be outstanding.

(c) If the Grantee ceases to be employed by the Employer on account of Cause (as defined below), the unpaid Cash Award (vested or unvested) shall be forfeited as of the termination date and shall cease to be outstanding.

4. Change in Control Involuntary Termination. Notwithstanding Section 3 above, if the Grantee has an Involuntary Termination upon or within two years after a Change in Control (as defined below), and prior to the Vesting Date, the Grantee's outstanding Cash Award shall become fully vested and shall be paid within 60 days after such Involuntary Termination, as described in Section 7.

5. Definitions. For purposes of these Grant Conditions and the Grant Letter:

(a) "Cause" shall mean any of the following, as determined in the sole discretion of the Employer: (i) commission of a felony or a crime involving moral turpitude; (ii) fraud, dishonesty, misrepresentation, theft or misappropriation of funds with respect to the Employer; (iii) violation of the Employer's Code of Conduct or employment policies, as in effect from time to time; (iv) breach of any written noncompetition, confidentiality or non-solicitation covenant of the Grantee with respect to the Employer; (v) gross negligence or misconduct in the performance of the Grantee's duties with the Employer; or (vi) other statutory termination causes as provided under applicable laws in the jurisdiction in which the Grantee works.

(b) "Change in Control" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(c) "Company Trade Secrets" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(d) "Confidential Information" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(e) "Injurious Conduct" shall have the meaning ascribed to the term on Attachment 1, the terms of which are incorporated herein.

(f) "Involuntary Termination" shall mean the Employer's termination of the Grantee's employment other than for Cause.

(g) "Long-Term Disability" shall mean the Grantee is receiving long-term disability benefits under the Employer's long-term disability plan.

6. Restrictive Covenants; Forfeiture.

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- (a) The Management Development and Compensation Committee (the "Committee") may determine that the Cash Award shall be forfeited if the Grantee engages in Injurious Conduct.
- (b) If the Committee determines that the Grantee has engaged in Injurious Conduct, the Committee may in its discretion, to the extent permitted by applicable laws, require the Grantee to return to the Company the cash received in payment of the Cash Award.
- (c) The Committee shall exercise the right of forfeiture and recoupment provided to the Company in this Section 6 within 180 days after the Company's discovery of the Injurious Conduct activities giving rise to the Company's right of forfeiture or recoupment.
- (d) The Grantee may make a request to the Committee in writing for a determination regarding whether any proposed business or activity would constitute Injurious Conduct. Such request shall fully describe the proposed business or activity. The Committee shall respond to the Grantee in writing and the Committee's determination shall be limited to the specific business or activity so described.
- (e) By accepting the Cash Award, the Grantee acknowledges and agrees that all Company Trade Secrets and Confidential Information developed, created or maintained by the Grantee, alone or with others, during the Grantee's employment or service with the Employer, shall remain at all times the sole property of the Company and its subsidiaries and affiliates.
- (f) This Agreement consists of a series of separate restrictive covenants, all of which shall survive and be enforceable in law and/or equity after the Grantee's termination or cessation of the Grantee's employment or service with the Employer. The Grantee understands that in the event of a violation of any provision of this Section 6, the Company shall have the right to seek injunctive relief, in addition to any other existing rights provided in this Agreement or by operation of law, without the requirement of posting bond. The remedies provided in this Section 6 shall be in addition to any legal or equitable remedies existing at law or provided for in any other agreement between the Grantee and the Company or any of its subsidiaries or affiliates, and shall not be construed as a limitation upon, or as an alternative or in lieu of, any such remedies. If any provisions of this Section 6 and Attachment 1 shall be determined by a court of competent jurisdiction to be unenforceable in part by reason of it being too great a period of time or covering too great a geographical area, it shall be in full force and effect as to that period of time or geographical area determined to be reasonable by the court.
- (g) By accepting the Cash Award, the Grantee acknowledges that the Grantee has carefully read and considered the provisions of this Section 6 and Attachment 1 and agrees that the restrictions set forth herein are fair and reasonable, are supported by valid consideration, and are reasonably required to protect the legitimate business interests of the Company and its subsidiaries and affiliates.
- (h) In the event of a breach by the Grantee of any restrictive covenant set forth on Attachment 1, the running of the period of restriction shall automatically be tolled and suspended for the amount of time the breach continues, and shall automatically commence when the breach
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is remedied so that the Company and its subsidiaries and affiliates shall receive the benefit of the Grantee's compliance with the terms and conditions of this Section 6.

7. Payment. When the Cash Award (or portion thereof) vests, the Company shall cause the Grantee's employer to make a single lump sum cash payment to the Grantee, payable in local currency, equal to the amount of the vested Cash Award, subject to applicable withholding for Taxes (as defined below). Payment shall be made within 60 days after the applicable vesting date.

8. No Right to Continued Employment. The grant of the Cash Award shall not confer upon the Grantee any right to continued employment with the Employer or interfere with the right of the Employer to terminate the Grantee's employment at any time.

9. Administration by the Committee. The Cash Award, the Grant Letter and these Grant Conditions will be administered and interpreted by the Committee. The Committee may delegate authority to one or more subcommittees or individuals, as it deems appropriate. The Board of Directors of the Company (the "Board") may take all actions of the Committee under the Grant Letter and these Grant Conditions. To the extent that the Board, Committee, subcommittee or individual administers the Grant Letter and these Grant Conditions, references in the Grant Letter and these Grant Conditions to the "Committee" shall be deemed to refer to the Board, Committee, subcommittee or other individual. The Committee is authorized to establish such rules and regulations as it deems necessary for the proper administration of the Cash Award, the Grant Letter and these Grant Conditions and the Committee has sole discretionary authority to make such determinations and interpretations and to take such action in connection with the Grant Letter and these Grant Conditions and the Cash Award granted hereunder as it deems necessary or advisable. The Grantee's receipt of this Cash Award constitutes the Grantee's acknowledgement that all determinations and interpretations made by the Committee shall be binding and conclusive on the Grantee and any other person claiming an interest in the Cash Award.

10. Amendment and Waiver. No provisions of the Grant Letter and these Grant Conditions may be amended, modified, waived or discharged unless the amendment, waiver, modification, or discharge is authorized by the Committee; provided that the Grantee consents to such amendment, modification, waiver or discharge if it materially impairs the rights of the Grantee.

11. Withholding Taxes.

(a) The Employer shall have the right, and the Grantee hereby authorizes the Employer, to deduct from all payments made hereunder and from other compensation an amount equal to the federal (including FICA), state, local and foreign taxes, social insurance, payroll tax, contributions, payment on account obligations or other amounts required by law to be collected, withheld or accounted for with respect to the Cash Award (the "Taxes").

(b) Regardless of any action the Employer takes with respect to any such Taxes, the Grantee acknowledges that the ultimate liability for all such Taxes legally due by the Grantee is and remains the Grantee's responsibility and may exceed the amount actually withheld by the

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Employer. The Grantee further acknowledges that the Employer (i) makes no representations or undertakings regarding the treatment of any Taxes in connection with any aspect of the Cash Award, including the grant, vesting or payment of the Cash Award; and (ii) does not commit to structure the terms of the grant or any aspect of the Cash Award to reduce or eliminate the Grantee's liability for Taxes. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Date of Grant and the date of any relevant taxable event, the Grantee acknowledges that the Employer (or the Grantee's former employer, as applicable) may be required to collect, withhold or account for Taxes in more than one jurisdiction.

12. Company Policies. All amounts payable under the Grant Letter and these Grant Conditions shall be subject to any applicable clawback or recoupment policies and other policies that may be implemented by the Company's Board of Directors from time to time.

13. Assignment. The Grant Letter and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Cash Award, except to a successor grantee in the event of the Grantee's death.

14. Unfunded Agreement. The Grant Letter and these Grant Conditions shall be unfunded, and the Grantee's rights under the Grant Letter and these Grant Conditions are those of a general creditor of the Company. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of the Cash Award under the Grant Letter and these Grant Conditions.

15. Section 409A. The Grant Letter and these Grant Conditions are intended to comply with the requirements of section 409A of the Code or an exemption (specifically, the short term deferral exemption of section 409A of the Code), and shall in all respects be administered in accordance with section 409A of the Code. Any payment made under the Grant Letter and these Grant Conditions shall only be made in a manner and upon an event permitted under Section 409A of the Code, including the application of the six-month delay if required.

16. Successors. The provisions of the Grant Letter and these Grant Conditions shall extend to any business that becomes a successor to the Company or its subsidiaries or affiliates on account of a merger, consolidation, sale of assets, spinoff or similar transaction with respect to any business of the Company or its subsidiaries or affiliates with which the Grantee is employed, and if this grant continues in effect after such corporate event, references to the "Company or its subsidiaries or affiliates" or the "Employer" in the Grant Letter and these Grant Conditions shall include the successor business and its affiliates, as appropriate. In that event, the Company may make such modifications to the Grant Letter and these Grant Conditions as it deems appropriate to reflect the corporate event.

17. Governing Law. The validity, construction, interpretation and effect of the Grant Letter and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the State of Delaware, excluding any conflicts or choice of law rule or principle.

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18. **No Entitlement or Claims for Compensation.** In connection with the acceptance of the grant of the Cash Award under the Grant Letter and these Grant Conditions, the Grantee acknowledges the following:

(a) the Grant Letter and these Grant Conditions are established voluntarily by the Company and the grant of the Cash Award is made at the discretion of the Committee;

(b) the grant of the Cash Award under the Grant Letter and these Grant Conditions is voluntary and occasional and does not create any contractual or other right to receive future grants of Cash Awards, or benefits in lieu of them, even if Cash Awards have been granted repeatedly in the past;

(c) all decisions with respect to future grants of Cash Awards, if any, will be at the sole discretion of the Committee;

(d) the Grantee is voluntarily accepting the Cash Award;

(e) the Cash Award and any payments thereunder are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Employer (including, as applicable, the Grantee's employer) and which are outside of the scope of the Grantee's employment contract, if any;

(f) the Cash Award and any payment thereunder are not to be considered part of the Grantee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, payment in lieu of notice, redundancy, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the Cash Award and any payments thereunder are not intended to replace any pension rights or compensation;

(h) the grant of the Cash Award and the Grantee's acceptance of the Cash Award will not be interpreted to form an employment contract or relationship with the Employer; and

(i) the Grantee shall have no rights, claim or entitlement to compensation or damages as a result of the Grantee's cessation of employment (for any reason whatsoever, whether or not in breach of contract or local labor law or the terms of the Grantee's employment agreement, if any), insofar as these rights, claim or entitlement arise or may arise from the Grantee's ceasing to have rights under or be entitled to receive payment under or loss or diminution in value of the Cash Award as a result of such cessation, and the Grantee irrevocably releases the Employer from any such rights, entitlement or claim that may arise. If, notwithstanding the foregoing, any such right or claim is found by a court of competent jurisdiction to have arisen, then the Grantee shall be deemed to have irrevocably waived the Grantee's entitlement to pursue such rights or claim.

19. **Data Privacy.**

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(a) The Grantee hereby explicitly, willingly and unambiguously consents to the collection, systematization, accumulation, storage, blocking, destruction, use, disclosure and transfer, in electronic or other form, of the Grantee's personal data as described in these Grant Conditions by and among, as applicable, the Grantee's employer, the Company or its subsidiaries or affiliates for the exclusive purpose of implementing, administering and managing the Grantee's Cash Award.

(b) The Grantee understands that the Grantee's employer, the Company or its subsidiaries or affiliates, as applicable, hold certain personal information and sensitive personal information about the Grantee regarding the Grantee's employment, the nature and amount of the Grantee's compensation and the fact and conditions of the Grantee's Cash Award, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or its subsidiaries or affiliates, details of all awards in the Grantee's favor, for the purpose of implementing, administering and managing the Cash Award (the "Data").

(c) The Grantee understands that the Data may be transferred, including any cross-border, transfer to the Company, its subsidiaries and affiliates and, to any third parties assisting in the implementation, administration and management of the Cash Award, that these recipients may be located in the Grantee's country, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Grantee's Cash Award, including any requisite transfer of such Data as may be required to a broker or other third party. The Grantee understands that the Data will be held only as long as is necessary to implement, administer and manage the Grantee's Cash Award. The Grantee understands that the Grantee may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to receive the Cash Award. For more information on the consequences of refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the Grantee's local human resources representative.

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## Attachment 1

### **Definitions**

For purposes of the Grant Letter and Grant Conditions, the following terms have the meanings ascribed to them on this Attachment 1:

i. "Affiliate" shall mean with respect to any Person, any other Person that, at any time that a determination is made hereunder, directly or indirectly, controls, is controlled by, or is under common control with such first Person. For the purpose of this definition, "control" shall mean, as to any Person, the possession, directly or indirectly, of the power to elect or appoint a majority of directors (or other persons acting in similar capacities) of such Person or otherwise to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

ii. "Beneficial Owner" and "Beneficially Own" shall have the meaning set forth in Rules 13d-3 and 13d-5 promulgated under the Exchange Act or any successor provision.

iii. "Change in Control" of the Company shall be deemed to have occurred if the event set forth in any one of the following sections shall have occurred:

a. any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 35% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (I) of subsection (iii) below;

b. the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended;

c. there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (I) a merger or consolidation immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger is then a subsidiary, the ultimate parent thereof, or (II) a merger or

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consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 35% or more of the combined voting power of the Company's then outstanding securities; or

d. the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred (i) by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions or (ii) by virtue of the consummation of a spin-off of any business line or business unit of the Company or a sale of (or similar transaction with respect to) all or substantially all of the assets that comprise a business line or business unit of the Company. The Committee may provide in a grant agreement for another definition of Change in Control, including as necessary to comply with Section 409A of the Code.

iv. "Code" shall mean Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

v. "Company Trade Secrets" shall mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (i) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Company Trade Secrets include, but are not limited to, the following: unique pricing methodologies and formulas for products and services of the Company or its subsidiaries or affiliates; unique marketing arrangements and strategies which the Company or its subsidiaries or affiliates use with their vendors and suppliers; and unique advertising arrangements and strategies that the Company or its subsidiaries or affiliates use to advertise their products and services. For avoidance of doubt, Company Trade Secrets do not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the

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Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

vi. "Confidential Information" shall mean information belonging to the Company or its subsidiaries or affiliates, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to the Grantee during his employment or service with the Employer and/or the Grantee has gained access to during the Grantee's employment or service with the Employer and/or was developed by the Grantee in the course of the Grantee's employment or service with the Employer, that is proprietary and confidential in nature. Confidential Information includes, but is not limited to, the following: information believed by the Company or any of its subsidiaries or affiliates to be a Company Trade Secret that ultimately does not qualify as such under applicable law but nonetheless was maintained by the Company or its subsidiaries or affiliates as confidential; information concerning the nature of the business and manner of operation of the Company and its subsidiaries and affiliates; the methods and systems used by the Company or its subsidiaries or affiliates in soliciting, selling and providing their services and/or products to their customers; financial and accounting information, such as cost, pricing and billing information, customer profiles, financial policies and procedures, and revenues and profit margins; sales and marketing information, such as sales strategies and programs; information concerning customers and prospective customers of the Company and its subsidiaries and affiliates; information concerning vendors and suppliers of the Company and its subsidiaries and affiliates; customer lists; prospective customer lists; customer buying habits and special needs; policies and procedures; personnel records; compensation paid to employees or other service providers of the Company or any of its subsidiaries or affiliates. For avoidance of doubt, Confidential Information does not include any information that: (A) is already in the public domain or becomes available to the public through no breach by the Grantee of this Agreement; (B) was lawfully in the Grantee's possession prior to disclosure to the Company or any of its subsidiaries or affiliates; (C) is lawfully disclosed to the Grantee by a third party without any obligations of confidentiality attaching to such disclosure; or (D) is developed by the Grantee entirely on the Grantee's own time without equipment, supplies or facilities of the Company or its subsidiaries or affiliates and does not relate at the time of conception to business or actual or demonstrably anticipated research or development of the Company or its subsidiaries or affiliates.

vii. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

viii. "Injurious Conduct" shall mean the activities described in subsections (i), (ii), (iii), (iv) and (v) below.

e. The Grantee's employment or service with the Employer is terminated for willful, deliberate, or gross misconduct, as determined by the Committee, in its sole discretion;

f. During the Grantee's employment or service with the Employer, the Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, become engaged in any business or activity which is directly in competition with any services or products sold by, or any business or activity engaged in by, the

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Company or any of its subsidiaries or affiliates, and in which the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or in which the Grantee learned Company Trade Secrets or Confidential Information during the Grantee's employment or service with the Employer; provided, however, that this provision shall not restrict the Grantee from owning or investing in publicly traded securities, so long as the Grantee's aggregate holdings in such company do not exceed 2% of the outstanding equity of such company and such investment is passive;

g. During the Grantee's employment or service with the Employer and for a period of 12 months thereafter, the Grantee breaches any of the following:

1) The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) (x) solicit business from any person who was a customer of the Company or any of its subsidiaries or affiliates during the period of the Grantee's employment or service hereunder or who was within the six-month period prior to such solicitation, or (y) solicit potential customers who are or were identified through leads developed during the course of the Grantee's employment or service with the Employer, in each case, with whom the Grantee was involved as part of the Grantee's job responsibilities during the Grantee's employment or service with the Employer, or regarding whom the Grantee learned Company Trade Secrets and/or Confidential Information during the Grantee's employment or service with the Employer, or (II) otherwise divert or attempt to divert any existing business of the Company or any of its subsidiaries or affiliates; and

2) The Grantee shall not, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, (I) solicit, induce, recruit or cause another person in the employment of the Company or any of its subsidiaries or affiliates to terminate such employee's employment, or (II) hire or retain any person who is, or within the six-month period prior to such hiring or retention was, an employee of the Company or any of its subsidiaries or affiliates;

h. During the Grantee's employment or service with the Employer or thereafter, the Grantee uses, publishes or discloses any Company Trade Secrets and/or Confidential Information in any manner whatsoever, except as required in the conduct of business of the Company or any of its subsidiaries or affiliates or as authorized in writing by the Company or any of its subsidiaries or affiliates, as applicable. By accepting the Cash Award, the Grantee acknowledges and agrees that (A) during the Grantee's employment or service with the Employer, the Grantee has been or will be exposed to and/or provided with Company Trade Secrets and Confidential Information and (B) Company Trade Secrets are not generally known to the public or to competitors of the Company or its subsidiaries or affiliates, were developed or compiled at significant expense by the Company or its subsidiaries or affiliates over an extended period of time, are the subject of the reasonable efforts of the Company or its subsidiaries or affiliates to maintain their secrecy, and that the Company or its subsidiaries or affiliates derive significant independent economic value by keeping Company Trade Secrets a secret; or

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i. During the Grantee's employment or service with the Employer or thereafter, the Grantee breaches any other written confidentiality, non-solicitation or non-competition covenant with the Employer.

ix. "Person" shall mean any individual, entity or group, including any "person" or "group" within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision.

**CERTIFICATIONS**  
**Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934, As Amended**

I, Michel S. Vermette, certify that:

1. I have reviewed this report on Form 10-Q of Armstrong Flooring, 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)) 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: July 30, 2021

By: /s/ Michel S. Vermette

Michel S. Vermette  
President and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATIONS**  
**Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934, As Amended**

I, Amy P. Trojanowski, certify that:

1. I have reviewed this report on Form 10-Q of Armstrong Flooring, 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 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: July 30, 2021

By: /s/ Amy P. Trojanowski

Amy P. Trojanowski  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)



**Certification of CEO Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2021 of Armstrong Flooring, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michel S. Vermette, President and Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michel S. Vermette

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Michel S. Vermette  
President and Chief Executive Officer  
(Principal Executive Officer)  
July 30, 2021

**Certification of CFO Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2021 of Armstrong Flooring, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Amy P. Trojanowski, as Senior Vice President and Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Amy P. Trojanowski

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Amy P. Trojanowski  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)  
July 30, 2021