

**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 March 31, 2019

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)

2500 Columbia Avenue, PO Box 3025, Lancaster, Pennsylvania 17604
(Address of principal executive offices)

(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 checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input 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 25,940,937 shares of common stock, \$0.0001 par value, outstanding at April 30, 2019.

Armstrong Flooring, Inc.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q ("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, earnings 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:

- global economic conditions;
- competition;
- availability and costs of raw materials and energy;
- key customers;
- construction activity;
- costs savings and productivity initiatives;
- strategic transactions;
- information systems and transition services;
- personnel;
- intellectual property rights;
- international operations;
- labor;
- claims and litigation;
- liquidity;
- debt;
- debt covenants;
- outsourcing;
- environmental and regulatory matters; and
- other risks detailed from time to time in our filings with the Securities and Exchange Commission ("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 Statements of Operations (Unaudited)
(Dollars in millions, except per share data)

	Three Months Ended March 31,	
	2019	2018
Net sales	\$ 141.7	\$ 164.3
Cost of goods sold	119.6	135.0
Gross profit	22.1	29.3
Selling, general and administrative expenses	37.7	38.2
Operating (loss)	(15.6)	(8.9)
Interest expense	1.0	1.0
Other expense, net	0.3	0.6
(Loss) from continuing operations before income taxes	(16.9)	(10.5)
Income tax (benefit)	(0.3)	(0.1)
Net (loss) from continuing operations	\$ (16.6)	\$ (10.4)
Earnings (loss) from discontinued operations, net of tax	—	—
(Loss) on disposal of discontinued operations, net of tax	(0.1)	—
Net (loss) from discontinued operations	(0.1)	—
Net (loss)	\$ (16.7)	\$ (10.4)
Basic (loss) per share of common stock:		
Basic (loss) per share of common stock from continuing operations	\$ (0.63)	\$ (0.40)
Basic (loss) per share of common stock from discontinued operations	—	—
Basic (loss) per share of common stock	\$ (0.63)	\$ (0.40)
Diluted (loss) per share of common stock:		
Diluted (loss) per share of common stock from continuing operations	\$ (0.63)	\$ (0.40)
Diluted (loss) per share of common stock from discontinued operations	—	—
Diluted (loss) per share of common stock	\$ (0.63)	\$ (0.40)

See accompanying notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2019	2018
Net (loss)	\$ (16.7)	\$ (10.4)
Changes in other comprehensive income, net of tax:		
Foreign currency translation adjustments	2.2	4.7
Derivative (loss) gain	(0.5)	0.8
Pension and postretirement adjustments	1.2	2.1
Total other comprehensive income	2.9	7.6
Total comprehensive (loss)	\$ (13.8)	\$ (2.8)

See accompanying notes to Condensed Consolidated Financial Statements.

Armstrong Flooring, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Dollars in millions, except par value)

	March 31, 2019 (Unaudited)	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 74.9	\$ 173.8
Restricted cash	0.8	—
Accounts and notes receivable, net	61.0	39.0
Inventories, net	144.7	139.5
Income tax receivable	0.6	0.6
Prepaid expenses and other current assets	16.1	18.0
Total current assets	298.1	370.9
Property, plant, and equipment, less accumulated depreciation and amortization of \$327.5 and \$318.8, respectively	294.3	296.1
Operating lease assets	8.0	—
Intangible assets, less accumulated amortization of \$14.4 and \$12.0, respectively	30.4	32.0
Deferred income taxes	5.6	5.6
Other noncurrent assets	3.0	3.6
Total assets	\$ 639.4	\$ 708.2
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term debt	\$ —	\$ 25.0
Current installments of long-term debt	3.7	3.7
Accounts payable and accrued expenses	108.9	141.4
Income tax payable	0.2	0.5
Total current liabilities	112.8	170.6
Long-term debt	70.3	70.6
Noncurrent operating lease liabilities	4.5	—
Postretirement benefit liabilities	54.7	55.7
Pension benefit liabilities	10.3	11.3
Other long-term liabilities	7.0	6.7
Noncurrent income taxes payable	0.2	0.2
Deferred income taxes	2.0	2.1
Total liabilities	261.8	317.2
Stockholders' equity:		
Common stock with par value \$.0001 per share: 100,000,000 shares authorized; 28,288,015 issued and 25,886,101 outstanding shares as of March 31, 2019 and 28,284,358 issued and 25,832,193 outstanding shares as of December 31, 2018	—	—
Preferred stock with par value \$.0001 per share: 15,000,000 shares authorized; none issued	—	—
Treasury stock, at cost, 2,401,914 shares as of March 31, 2019 and 2,452,165 shares as of December 31, 2018	(38.8)	(39.7)
Additional paid-in capital	678.1	678.6
Accumulated deficit	(203.0)	(186.3)
Accumulated other comprehensive (loss)	(58.7)	(61.6)
Total stockholders' equity	377.6	391.0
Total liabilities and stockholders' equity	\$ 639.4	\$ 708.2

See accompanying notes to Condensed Consolidated Financial Statements.

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 (Loss)	(Accumulated Deficit)	Total Equity
	Shares	Amount	Shares	Amount				
December 31, 2018	25,832,193	\$ —	2,452,165	\$ (39.7)	\$ 678.6	\$ (61.6)	\$ (186.3)	\$ 391.0
Net (loss)	—	—	—	—	—	—	(16.7)	(16.7)
Stock-based employee compensation, net	53,908	—	(50,251)	0.9	(0.5)	—	—	0.4
Other comprehensive income	—	—	—	—	—	2.9	—	2.9
March 31, 2019	<u>25,886,101</u>	<u>\$ —</u>	<u>2,401,914</u>	<u>\$ (38.8)</u>	<u>\$ 678.1</u>	<u>\$ (58.7)</u>	<u>\$ (203.0)</u>	<u>\$ 377.6</u>

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss)	(Accumulated Deficit)	Total Equity
	Shares	Amount	Shares	Amount				
December 31, 2017	25,734,222	\$ —	2,448,996	\$ (39.9)	\$ 674.2	\$ (52.5)	\$ (31.8)	\$ 550.0
Cumulative effect of adoption of ASC 606 new revenue recognition standard as of January 1	—	—	—	—	—	—	(4.1)	(4.1)
Cumulative effect of adoption of ASU 2018-02 related to tax reform as of January 1	—	—	—	—	—	(12.6)	12.6	—
Net (loss)	—	—	—	—	—	—	(10.4)	(10.4)
Repurchase of common stock	(69,353)	—	69,353	(1.0)	—	—	—	(1.0)
Stock-based employee compensation, net	77,258	—	(52,486)	1.0	(0.1)	—	—	0.9
Other comprehensive income	—	—	—	—	—	7.6	—	7.6
March 31, 2018	<u>25,742,127</u>	<u>\$ —</u>	<u>2,465,863</u>	<u>\$ (39.9)</u>	<u>\$ 674.1</u>	<u>\$ (57.5)</u>	<u>\$ (33.7)</u>	<u>\$ 543.0</u>

See accompanying notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2019	2018
Cash flows from operating activities:		
Net (loss)	\$ (16.7)	\$ (10.4)
Adjustments to reconcile net (loss) to net cash used for operating activities:		
Depreciation and amortization	11.3	13.8
Deferred income taxes	(0.2)	—
Stock-based compensation	0.4	1.1
U.S. pension expense	1.4	1.7
Other non-cash adjustments, net	(0.2)	0.2
Changes in operating assets and liabilities:		
Receivables	(21.8)	(11.7)
Inventories	(4.9)	0.7
Accounts payable and accrued expenses	(33.0)	2.5
Income taxes payable and receivable	(0.4)	2.5
Other assets and liabilities	0.9	(4.8)
Net cash used for operating activities	(63.2)	(4.4)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(8.6)	(10.2)
Other investing activities	—	0.1
Net cash used for investing activities	(8.6)	(10.1)
Cash flows from financing activities:		
Proceeds from revolving credit facility	—	27.0
Payments on revolving credit facility	(25.0)	(22.0)
Payments on long-term debt	(1.0)	—
Payments on capital lease	—	(0.1)
Purchases of treasury stock	—	(1.0)
Proceeds from exercised stock options	—	0.2
Value of shares withheld related to employee tax withholding	(0.7)	(0.4)
Net cash (used for) provided by financing activities	(26.7)	3.7
Effect of exchange rate changes on cash, cash equivalents and restricted cash	0.4	0.7
Net decrease in cash, cash equivalents and restricted cash	(98.1)	(10.1)
Cash, cash equivalents and restricted cash at beginning of year	173.8	39.0
Cash, cash equivalents and restricted cash at end of period	\$ 75.7	\$ 28.9
Cash, cash equivalents and restricted cash at end of period from discontinued operations	—	(1.2)
Cash, cash equivalents and restricted cash at end of period from continuing operations	75.7	30.1
Supplemental Cash Flow Disclosure:		
Amounts in accounts payable for capital expenditures	\$ 3.7	\$ 3.8
Interest paid	0.9	0.8
Income taxes paid (refunded), net	0.3	(2.5)

See accompanying notes to Condensed Consolidated Financial Statements.

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

NOTE 1. BUSINESS AND BASIS OF PRESENTATION

Background

Armstrong Flooring, Inc. ("AFI") 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. When we refer to "AFI," "the Company," "we," "our," and "us" in this report, we are referring to Armstrong Flooring, Inc., a Delaware corporation, and its consolidated subsidiaries.

Discontinued Operations

On November 14, 2018, AFI entered into a Stock Purchase Agreement with Tarzan Holdco, Inc. ("TZI"), a Delaware corporation and an affiliate of American Industrial Partners ("AIP"), to sell its North American wood flooring business. On December 31, 2018, AIP completed the purchase of all of the issued and outstanding shares of Armstrong Wood Products, Inc. ("AWP"), a Delaware corporation, including its direct and indirect wholly owned subsidiaries.

Basis of Presentation

The historical results of operations and financial position of the North American wood flooring business are reported as discontinued operations in the Condensed Consolidated Statements of Operations. The historical information in the accompanying Notes to the Condensed Consolidated Financial Statements have been restated to reflect the effects of the sale of the North American wood flooring business. For further information on discontinued operations, see Note 5.

These Condensed Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The statements include management estimates and judgments, where appropriate. Management uses estimates to record many items including certain asset values, allowances for bad debts, inventory obsolescence, lower of cost or market or net realizable value charges, warranty reserves, 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 months ended March 31, 2019 and 2018 included in this report are unaudited. Quarterly results are not necessarily indicative of annual earnings, primarily due to the different level of sales in each quarter of the year and the possibility of changes in economic conditions between periods.

Certain amounts in the prior year's Condensed Consolidated Financial Statements and related notes thereto have been recast to conform to the 2019 presentation. Otherwise, the accounting policies used in preparing the Condensed Consolidated Financial Statements in this Form 10-Q are the same as those used in preparing the Consolidated Financial Statements for the year ended December 31, 2018 except as noted below. These statements should therefore be read in conjunction with the Consolidated Financial Statements and notes that are included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

All significant intercompany transactions within AFI have been eliminated from the Condensed Consolidated Financial Statements.

Recently Adopted Accounting Standards

On January 1, 2019 we adopted ASU 2016-02, "Leases." The guidance, and subsequent amendments issued, requires a lessee to recognize the assets and liabilities that arise from a lease agreement. Specifically, this new guidance requires

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

lessees to recognize a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term, with limited exceptions.

Adoption of the new standard resulted in the recording of lease assets and lease liabilities of \$9.2 million as of January 1, 2019.

	December 31, 2018	Impact from Adoption	January 1, 2019
Assets			
Operating lease assets	\$ —	\$ 8.6	\$ 8.6
Finance lease assets	—	0.6	0.6
Total lease assets	<u>\$ —</u>	<u>\$ 9.2</u>	<u>\$ 9.2</u>
Liabilities			
Current			
Operating	\$ —	\$ 3.5	\$ 3.5
Noncurrent			
Operating	—	5.1	5.1
Finance	—	0.6	0.6
Total lease liabilities	<u>\$ —</u>	<u>\$ 9.2</u>	<u>\$ 9.2</u>

See Note 9 to the Condensed Consolidated Financial Statements.

Recently Issued Accounting Standards

In June 2016, the FASB issued ASU 2016-13, "*Measurement of Credit Losses on Financial Instruments.*" The guidance requires immediate recognition of estimated credit losses that are expected to occur over the remaining life of many financial assets. This new guidance is effective for annual and interim periods in fiscal years beginning after December 15, 2019, but early adoption is permitted for annual and interim periods in fiscal years beginning after December 15, 2018. We are currently evaluating the impact the adoption of this standard would have on our financial condition, results of operations and cash flows.

In August 2018, the FASB issued ASU 2018-15, "*Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract.*" The guidance aligns the requirements for capitalizing implementation costs in a cloud computing arrangement service contract with the requirements for capitalizing implementation costs incurred for an internal use software license. Capitalized implementation costs should be amortized over the term of the service agreement on a straight line basis and should be assessed for impairment in a manner similar to long-lived assets. This new guidance is effective for fiscal years beginning after December 15, 2019 for public companies. Early adoption is permitted. We are continuing to evaluate the impact the adoption of this standard will have on our financial condition, results of operations and cash flows.

NOTE 2. 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.

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

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

	Three Months Ended March 31,	
	2019	2018
Net sales		
United States	\$ 109.3	\$ 128.6
China	11.4	10.3
Canada	10.0	16.3
Other	11.0	9.1
Total net sales	<u>\$ 141.7</u>	<u>\$ 164.3</u>

NOTE 3. SEVERANCE EXPENSE

In the first quarter of 2018, we announced that we were changing our residential go-to-market strategy and empowering our distributors with the responsibilities of marketing, merchandising and direct sales representation. The new structure was designed to provide enhanced support and responsiveness to retailers. As a result of the reorganization, approximately 70 positions were eliminated, and the impacted employees received severance benefits. We recognized charges of \$3.1 million primarily in SG&A expenses.

NOTE 4. INCOME TAXES

The following table presents details related to our income taxes:

	Three Months Ended March 31,	
	2019	2018
Income (loss) from continuing operations before income taxes	\$ (16.9)	\$ (10.5)
Income tax expense (benefit)	(0.3)	(0.1)
Effective tax rate	1.8%	1.0%

The effective tax rate for the first quarter of 2019 was flat versus the comparable 2018 period.

Upon audit, taxing authorities may challenge all or part of an uncertain income tax position. While AFI has no history of tax audits on a stand-alone basis, AWI was routinely audited by U.S. federal, state and local, and non-U.S. taxing authorities. Accordingly, AFI regularly assesses the outcome of potential examinations in each of the taxing jurisdictions when determining the adequacy of the amount of unrecognized tax benefit recorded. We do not expect to record any material changes during 2019 to our unrecognized tax benefits as of December 31, 2018.

As of March 31, 2019, we consider foreign unremitted earnings to be permanently reinvested.

NOTE 5. DISCONTINUED OPERATIONS

In December 2018, we completed the sale of our wood business to TZI. The proceeds from the sale were \$90.2 million, net of closing costs, transaction fees and taxes. The transaction is subject to a customary post-closing working capital adjustment process, which is expected to be completed in 2019.

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

The financial results of the wood business have been reclassified as discontinued operations for all periods presented. The Condensed Consolidated Statements of Cash Flows do not separately report the cash flows of the discontinued operation.

The following is a summary of the operating results of the wood business, which are included in discontinued operations.

	Three Months Ended March 31, 2018	
Net Sales	\$	93.6
Cost of goods sold		83.6
Gross profit		10.0
Selling, general and administrative expenses		10.0
Operating earnings (loss)		—
Interest expense		—
Other expense, net		—
Earnings (loss) before income tax		—
Income tax expense (benefit)		—
Net earnings (loss) from discontinued operations	\$	—

	Three Months Ended March 31, 2018	
Depreciation and Amortization	\$	3.0
Capital Expenditures		(2.1)

The following is a summary of the results related to the net loss on disposal of the wood business which is included in discontinued operations:

	Three Months Ended March 31, 2019	
(Loss) on disposal of discontinued operations before income tax	\$	(0.1)
Income tax (benefit)		—
Net (loss) on disposal of discontinued operations	\$	(0.1)

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

NOTE 6. EARNINGS (LOSS) PER SHARE OF COMMON STOCK

Earnings per share components may not add due to rounding.

The table below shows a reconciliation of the numerator and denominator for basic and diluted earnings (loss) per share calculations for the periods indicated.

	Three Months Ended March 31,	
	2019	2018
Numerator		
Net (loss) from continuing operations	\$ (16.6)	\$ (10.4)
Net (loss) from discontinued operations	(0.1)	—
Net (loss)	\$ (16.7)	\$ (10.4)
Denominator		
Weighted average number of common shares outstanding	25,851,432	25,737,801
Weighted average number of vested shares not yet issued	804,356	162,818
Weighted average number of common shares outstanding - Basic	26,655,788	25,900,619
Dilutive impact of stock-based compensation plans	—	—
Weighted average number of common shares outstanding - Diluted	26,655,788	25,900,619

For the three months ended March 31, 2019 and March 31, 2018, the diluted loss per share was calculated using basic common shares outstanding, as inclusion of potentially dilutive common shares would be anti-dilutive.

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

The following awards were excluded from the computation of diluted earnings (loss) per share:

	Three Months Ended March 31,	
	2019	2018
Potentially dilutive common shares excluded from diluted computation, as inclusion would be anti-dilutive	440,075	926,918
Performance awards excluded from diluted computation, as performance conditions not met	509,065	942,863

NOTE 7. ACCOUNTS AND NOTES RECEIVABLE

The following table presents accounts and note receivables, net of allowances:

	March 31, 2019	December 31, 2018
Customer receivables	\$ 70.8	\$ 45.4
Miscellaneous receivables	3.9	6.2
Less: allowance for product claims, discounts, returns and losses	(13.7)	(12.6)
Total	\$ 61.0	\$ 39.0

Generally, we sell our products to select, pre-approved customers whose businesses are affected by changes in economic and market conditions. We consider these factors and the financial condition of each customer when establishing our allowance for losses from doubtful accounts.

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

Allowance for product claims represents expected reimbursements for cost associated with warranty repairs and customer accommodation claims, the majority of which is provided to our independent distributors through a credit against accounts receivable from the distributor to AFL.

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

	Three Months Ended March 31,	
	2019	2018
Balance as of January 1,	\$ (6.4)	\$ (5.6)
Cumulative effect of adoption of new revenue recognition standard as of January 1	—	(1.7)
Reductions for payments	1.5	2.0
Current year claim accruals	(1.8)	(1.1)
Balance as of March 31,	<u>\$ (6.7)</u>	<u>\$ (6.4)</u>

NOTE 8. INVENTORIES

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

	March 31, 2019	December 31, 2018
Finished goods	\$ 115.8	\$ 110.5
Goods in process	6.3	5.7
Raw materials and supplies	22.6	23.3
Total	<u>\$ 144.7</u>	<u>\$ 139.5</u>

NOTE 9. LEASES

We lease certain real estate (warehouse and office space), vehicles and equipment. For leases with an initial term of less than 13 months we recognize lease expense for these leases on a straight-line basis over the lease term. Leases with an initial term of thirteen months or more are recorded on the balance sheet. We consider all payments fixed unless there is a material impact to the balance sheet at any given time during the lease period.

Our leases have remaining lease terms of one month to ten years. Many leases include one or more options to renew, with renewal terms that can extend the lease term from one month 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 FASB allows companies transition and practical expedient elections to simplify the transition of the new standard. We have elected the following:

- We have elected to not restate comparative prior periods but instead recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption, if a difference existed between the initial lease liability and related right of use asset.
- We have elected to use the hindsight practical expedient with respect to determining the lease term allowing us to consider the actual outcome of lease renewals, termination options and purchase options, and in assessing impairment of right-of-use assets for existing leases.

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- We have elected to combine lease and non-lease components as a single component and account for it as a lease for all asset classes with the exception of land and non-operating buildings. Lease and non-lease components of land and non-operating buildings are generally accounted for separately.
- We have elected to use a portfolio approach to determine the discount rate and defined portfolio based on the geographic location of the asset by country and duration of the lease.

The following table summarizes the components of the lease expense:

	Three Months Ended March 31, 2019
Lease Cost	
Finance lease cost	
Amortization of right-of-use asset	\$ 0.1
Operating lease cost	1.0
Short-term lease cost	0.5
Sublease income	(0.3)
Total lease cost	<u>\$ 1.3</u>

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

	Balance Sheet Classification	March 31, 2019
Assets		
Operating lease assets	Operating lease assets	\$ 8.0
Finance lease assets	Property, plant and equipment, less accumulated depreciation	0.6
Total lease assets		<u>\$ 8.6</u>
Liabilities		
Current		
Operating	Accounts payable and accrued expenses	\$ 3.5
Noncurrent		
Operating	Noncurrent operating lease liabilities	4.5
Finance	Long-term debt	0.6
Total lease liabilities		<u>\$ 8.6</u>

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

	Three Months Ended March 31, 2019
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 1.0
Financing cash flows from finance leases	0.1

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

	Three Months Ended March 31, 2019	
	Weighted Average	
	Remaining Lease Term (Years)	Discount Rate
Operating leases	3.2	5.7%
Finance leases	3.3	5.4%

The following table provides future minimum payments at March 31, 2019 by year and in the aggregate, having non-cancelable lease terms in excess of one year.

	Operating Leases	Finance Leases
2019 (Remaining)	\$ 2.8	\$ 0.2
2020	3.4	0.2
2021	1.0	0.1
2022	0.3	0.1
2023	0.3	—
Thereafter	1.3	—
Total	\$ 9.1	\$ 0.6

In our 2018 Form 10-K we disclosed expected future minimum lease payments at December 31, 2018 of \$20.4 million. The adoption of ASC 842 reduced the expected future minimum lease payments by removing costs related to non-lease components of existing contracts and agreements no longer defined as operating leases by \$8.2 million and \$2.3 million, respectively.

The following table provides reconciliation of future minimum lease payment and lease liability:

	Three Months Ended March 31,	
	Operating Leases	Finance Leases
Future minimum lease payment	\$ 9.1	\$ 0.6
Less: Unamortized interest	1.1	—
Total lease liability	\$ 8.0	\$ 0.6

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NOTE 10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following table details amounts related to our accounts payable and accrued expenses:

	March 31, 2019	December 31, 2018
Payables, trade and other	\$ 78.6	\$ 99.5
Employment costs	15.1	25.0
Other accrued expenses	11.7	16.9
Current operating lease liabilities	3.5	—
Total	\$ 108.9	\$ 141.4

NOTE 11. PENSION AND OTHER POSTRETIREMENT BENEFIT PROGRAMS

The following table summarizes our pension and postretirement expense:

	Three Months Ended March 31,	
	2019	2018
Defined-benefit pension, U.S.		
Service cost	\$ 0.6	\$ 0.9
Interest cost	3.8	3.7
Expected return on plan assets	(5.4)	(5.6)
Amortization of net actuarial loss	2.4	2.7
Total, defined-benefit pension, U.S.	\$ 1.4	\$ 1.7
Defined-benefit pension, Canada		
Interest cost	\$ 0.1	\$ 0.1
Expected return on plan assets	(0.1)	(0.2)
Amortization of net actuarial loss	0.1	0.1
Total, defined-benefit pension, Canada	\$ 0.1	\$ —
Defined-benefit postretirement, U.S.		
Service cost	\$ 0.1	\$ 0.1
Interest cost	0.6	0.6
Amortization of net actuarial gains	(0.8)	(0.6)
Total, defined-benefit postretirement, U.S.	\$ (0.1)	\$ 0.1

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NOTE 12. ACCUMULATED OTHER COMPREHENSIVE (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 (Loss) Income
Balance, December 31, 2018	\$ 1.7	\$ 0.8	\$ (64.1)	\$ (61.6)
Other comprehensive income (loss) before reclassifications, net of tax impact of \$-, \$0.2, \$-, and \$0.2	2.2	(0.3)	(0.1)	1.8
Amounts reclassified from accumulated other comprehensive income	—	(0.2)	1.3	1.1
Net current period other comprehensive income (loss)	2.2	(0.5)	1.2	2.9
Balance, March 31, 2019	<u>\$ 3.9</u>	<u>\$ 0.3</u>	<u>\$ (62.9)</u>	<u>\$ (58.7)</u>
Balance, December 31, 2017	\$ 7.7	\$ (1.0)	\$ (59.2)	\$ (52.5)
Cumulative effect of adoption of ASU 2018-02 as of January 1	—	0.1	(12.7)	(12.6)
Other comprehensive income (loss) before reclassifications, net of tax impact of \$-, (\$0.1), \$-, and (\$0.1)	4.7	0.4	(0.1)	5.0
Amounts reclassified from accumulated other comprehensive income	—	0.4	2.2	2.6
Net current period other comprehensive income (loss)	4.7	0.8	2.1	7.6
Balance, March 31, 2018	<u>\$ 12.4</u>	<u>\$ (0.1)</u>	<u>\$ (69.8)</u>	<u>\$ (57.5)</u>

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The amounts reclassified from AOCI and the affected line item of the Condensed Consolidated Statements of Operations are presented in the table below.

	Three Months Ended March 31,		Affected Line Item
	2019	2018	
Derivative adjustments			
Foreign exchange contracts - purchases	\$ (0.1)	\$ 0.1	Cost of goods sold
Foreign exchange contracts - purchases	—	0.1	Earnings (loss) from discontinued operations
Foreign exchange contracts - sales	(0.1)	0.2	Net sales
Foreign exchange contracts - sales	—	0.1	Earnings (loss) from discontinued operations
Total (income) expense before tax	(0.2)	0.5	
Tax impact	—	(0.1)	Income tax (benefit)
Total (income) expense, net of tax	(0.2)	0.4	
Pension and postretirement adjustments			
Amortization of net actuarial loss	1.7	2.2	Other expense, net
Total expense before tax	1.7	2.2	
Tax impact	(0.4)	—	Income tax (benefit)
Total expense, net of tax	1.3	2.2	
Total reclassifications for the period	<u>\$ 1.1</u>	<u>\$ 2.6</u>	

NOTE 13. 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.

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Summary of Financial Position

There were no material liabilities recorded as of March 31, 2019 and December 31, 2018 for potential environmental liabilities that we consider probable and for which a reasonable estimate of the probable liability could be made.

Antidumping and Countervailing Duty Cases

In October 2010, a coalition of U.S. producers of multilayered wood flooring (not including AWI and its subsidiaries) filed petitions seeking antidumping duties (“AD”) and countervailing duties (“CVD”) with the United States Department of Commerce (“DOC”) and the United States International Trade Commission against imports of multilayered wood flooring from China. The AD and CVD petitions ultimately resulted in DOC issuing AD and CVD orders (the “Orders”) against multilayered wood flooring imported into the U.S. from China. These Orders and the associated additional duties they have imposed have been the subject of extensive litigation, both at DOC and in the U.S. courts.

Prior to the sale of our North American wood flooring business on December 31, 2018, we produced multilayered wood flooring domestically and imported multilayered wood flooring from third party suppliers in China. Until October 2014, AWI also operated a plant in Kunshan, China (“Armstrong Kunshan”) that manufactured multilayered wood flooring for export to the U.S. As a result, we have been directly involved in the multilayered wood flooring-related litigation at DOC and in the U.S. courts. Our consistent view through the course of this matter has been, and remains, that our imports were neither dumped nor subsidized. In 2013, in the sole DOC investigation of AWI and its subsidiaries (as a mandatory respondent in connection with the first annual administrative review), Armstrong Kunshan received a final CVD rate of 0.98% and a final AD rate of 0.00%.

Litigation regarding this matter has continued in the U.S. courts. Armstrong Kunshan, as well as other respondents, have appealed DOC’s original decision to apply an AD rate to AWI and its subsidiaries and other “separate rate” respondents in the original investigation (for which we received a final initial AD rate of 3.31%) to the Court of Appeals for the Federal Circuit (“CAFC”). The CAFC, on February 15, 2017, found that DOC did not make the requisite factual findings necessary to support its original investigation determination. The CAFC vacated and remanded the Court of International Trade (“CIT”) decision for further proceedings. On July 3, 2018, CIT issued a ruling ordering DOC to revoke the AD order with respect to Armstrong Kunshan and two other respondents. Petitioners have filed notice of appeal. At this time, therefore, the ultimate outcome of the litigation is uncertain, as well as the status of the revocation of the AD order with respect to Armstrong Kunshan. We will continue to pursue the case. We believe success on appeal could result in a final revocation of the AD order with respect to Armstrong Kunshan and its prior entries under the order.

The DOC also continues to conduct annual administrative reviews of the AD and CVD final duty rates under the Orders. Armstrong Kunshan was not selected as a mandatory respondent for the second, third and fourth reviews and, therefore, was not subject to individual review, but we are subject to the rates applicable to importers that were not individually reviewed (the “separate rate” or “all other” respondents).

The second administrative review period covered imports of multilayered wood flooring made between December 1, 2012 and November 30, 2013 (AD) and between January 1, 2012 and December 31, 2012 (CVD). In July 2015, the DOC issued a final “all others” CVD rate of 0.99% and a 13.74% AD rate. The AD rate was determined solely on the basis of the AD duty rate assigned to the only mandatory respondent that did not receive a de minimis rate. DOC assigned these rates to all separate rate respondents that were not individually investigated, including Armstrong Kunshan. We, along with other respondents, have filed complaints against DOC challenging the rate in the CIT. If such rates are ultimately upheld after any court appeals are exhausted, the estimated additional liability to us for the relevant period is \$5.1 million, which is recorded in accounts payable and accrued expenses. The court granted the preliminary injunction requested by plaintiffs on August 13, 2015, and enjoined the U.S. Government agencies from causing or permitting liquidation of unliquidated entries of multilayered wood flooring from China, pending final decision on the case. On June 8, 2018, the CIT issued a decision and order remanding the review determination to DOC to reconsider certain valuation methodologies. A revised decision by DOC is pending and must be approved by the Court.

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The third administrative review period covered all multilayered wood flooring imports made between December 1, 2013 and November 30, 2014 (AD) and between January 1, 2013 and December 31, 2013 (CVD). On May 16, 2016, the DOC issued a final "all others" CVD rate of 1.38% and on July 13, 2016, DOC imposed a 17.37% "all others" AD rate. The AD rate was determined again solely on the basis of the AD duty rate assigned to the only mandatory respondent that did not receive a de minimis rate. DOC assigned these rates to all separate rate respondents that were not individually investigated, including Armstrong Kunshan. We continue to defend our import practices by pursuing our available legal rights and remedies, including litigation at DOC and in the U.S. courts. If such rates are ultimately upheld after any potential court appeals are exhausted, the estimated additional liability to us for the relevant period is \$6.3 million, which is recorded in accounts payable and accrued expenses. We successfully filed an injunction request. The court granted the preliminary injunction on January 4, 2017 and enjoined the U.S. Government agencies from causing or permitting liquidation of unliquidated entries of multilayered wood flooring from China, pending final decision on the case. The preliminary injunction also ensures that our entries made during the 2013-14 review period will ultimately be liquidated in accordance with the final decision by the courts. On November 26, 2018, the CIT issued a decision and order upholding DOC's determination Armstrong and other affected "separate rate" parties have filed appeals to the Court of Appeals for the Federal Circuit and those appeals remain pending.

AWI and Armstrong Kunshan were not subject to review during the fourth administrative review period, however, we are liable for other manufacturers' applicable rates to the extent we were importer of record of products covered by the AD/CVD orders during this period. The fourth administrative review period covered all multilayered wood flooring imports made between December 1, 2014 and November 30, 2015 (AD) and between January 1, 2014 and December 31, 2014 (CVD). On May 15, 2017, DOC published a final "all others" CVD rate of 1.06% and on June 5, 2017, DOC imposed a de minimis "all others" AD rate which will apply to our multilayered wood flooring imports during this period. We have begun receiving refunds for our multilayered wood flooring imports during this time period as our deposit rate exceeded this de minimis rate. The petitioners initially appealed this decision, but withdrew their appeal on October 17, 2017. We will accrue and make cash deposits for duties when we are the importer of record at the rates established by DOC based on the fourth administrative review process. Administrative reviews for the fifth review period (December 1, 2015-November 30, 2016 for AD and January 1, 2015-December 31, 2015 for CVD) have been initiated. We were not subject to review for this period; however, we are liable for other manufacturers' applicable rates to the extent we were importer of record of products covered by the AD/CVD orders during this period. On June 14, 2018, DOC published a final "all others" CVD rate of 0.85% and on July 18, 2018, DOC published a final "all others" AD rate of 0.00% for our multilayered wood flooring imports during this time period.

The U.S. International Trade Commission completed a sunset review of the original Orders in the fourth quarter of 2017 and determined to continue the Orders for an additional five year period.

Armstrong Kunshan was not sold as part of the North American wood sale but was sold to a separate buyer in December 2018. We retained the right to elect to defend and control the defense of the above matters, as well as the right to any related refunds or payments, and agreed to indemnify and hold the buyer from and against any and all duties, penalties, fines or other charges.

We have consistently pursued our legal rights and possible remedies to recover certain antidumping duty deposits and we are currently seeking to resolve this matter, if possible, outside of continued litigation.

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

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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.

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 14. SUBSEQUENT EVENT

On March 6, 2017, we announced that our board of directors had approved a share repurchase program pursuant to which we were authorized to repurchase up to \$50.0 million of our outstanding shares of common stock. From inception of the share repurchase program through March 31, 2019, we repurchased approximately 2.5 million shares for a total cost of \$41.0 million, with an average price of \$16.23 per share. On May 3, 2019 we announced that our board of directors has authorized an increased share repurchase program for an additional \$50.0 million beyond the \$41.0 million already repurchased under the prior share repurchase program, effective immediately. Repurchases under the new program may be made through open market, block, and privately negotiated transactions, including Rule 10b5-1 plans, at times and in such amounts as management deems appropriate, subject to market and business conditions, regulatory requirements and other factors.

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

Our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided in addition to the accompanying Condensed Consolidated Financial Statements and notes to assist readers in understanding our results of operations, financial condition, and cash flows. This interim MD&A should be read in conjunction with the MD&A in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Overview

Armstrong Flooring, Inc. ("AFI" or the "Company") is a leading global producer of resilient flooring products for use primarily in the construction and renovation of residential, commercial and institutional buildings. We design, manufacture, source and sell flooring products primarily in North America and the Pacific Rim. As of March 31, 2019, we operated 8 manufacturing plants in three countries. We operate 6 manufacturing plants located throughout the United States (California, Illinois, Mississippi, Oklahoma, and Pennsylvania) and one plant each in China and Australia.

Recent Event

On November 14, 2018, we entered into a Stock Purchase Agreement with Tarzan Holdco Inc., ("TZI"), an affiliate of American Industrial Partners ("AIP"), to sell our North American wood flooring business. On December 31, 2018, AIP completed the purchase of all of the issued and outstanding shares of Armstrong Wood Products, Inc., a Delaware Corporation ("AWP"), including its direct and indirect wholly owned subsidiaries. We received proceeds of \$90.2 million, net of closing costs, transaction fees and taxes. The transaction is subject to a customary post-closing working capital adjustment process. The historical financial results of the North American wood flooring business have been reflected in our Condensed Consolidated Financial Statements as a discontinued operation for all periods presented.

Employees

As of March 31, 2019 and December 31, 2018, we had approximately 1,800 full-time and part-time employees worldwide. As of May 7, 2019, approximately 150 employees at one of our domestic plants continue to work under an expired collective bargaining agreement and negotiations continue. Out of our 1,800 employees, approximately 100 employees are part of the transition services agreement with TZI, and we expect most of them to transfer to TZI by the end of 2019.

Factors Affecting Our Business

Net Sales

Overview

Demand for our products is influenced by economic conditions. We closely monitor publicly available macroeconomic trend data that provides insight to commercial and residential market activity; this includes Gross Domestic Product growth indices, the Architecture Billings Index and the Consumer Confidence Index, as well as housing starts and existing home sales.

Demand for our products is also influenced by consumer preferences. In addition, our channel partners raise or lower their inventory levels according to their expectations of market demand and consumer preferences, which directly affects our sales.

Markets

We compete in both the commercial and residential markets in North America and primarily the commercial market in the Pacific Rim. Our business operates in a competitive environment across all our product categories, and excess capacity exists in much of the industry. We continue to see efforts by various competitors to price aggressively as a means to gain market share.

We have experienced a decline in demand for our traditional resilient products, particularly vinyl sheet products used in residential applications. The decline in vinyl sheet is driven by consumer trends, which have continued to favor alternate products, including luxury vinyl tile ("LVT") products.

The flooring market continues to experience LVT growth. Given its attractive visuals and performance characteristics, LVT growth has exceeded that of the overall flooring market. We believe LVT growth has and will continue to come partially at the expense of other product categories in both the soft and hard surface flooring markets, with the largest impacts on the AFI portfolio within the vinyl sheet and vinyl composition tile ("VCT") categories. We are the largest producer of VCT.

Operating Expenses

Tariffs enacted in the third quarter of 2018 are still in place at the original rate with an unknown outcome related to trade with China. This is driving inflation on the sourced products. Raw material costs have stabilized. Improved productivity at the manufacturing plants will continue to drive benefits in operating results.

Tariff

The U.S. government announced a tariff of 10% on certain flooring products imported to the U.S. from China, effective on September 24, 2018. This tariff increase has an impact on products we import from China. In order to partially offset the impact, we implemented price increases that went into effect in the fourth quarter of 2018. A potential tariff increase to 25% was announced but has been delayed indefinitely. We expect to implement additional price changes in line with potential tariff rate increases if and when they become effective.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Consolidated Results from Continuing Operations

Below is a summary of comparative results of operations for the three months ended March 31, 2019 and 2018:

<i>(Dollars in millions)</i>	Three Months Ended March 31,						
	2019		2018		Change		
			\$	%			
Net sales	\$	141.7	\$	164.3	\$	(22.6)	(13.8)%
Cost of goods sold		119.6		135.0		(15.4)	(11.4)%
Gross profit		22.1		29.3		(7.2)	(24.6)%
Selling, general and administrative expenses		37.7		38.2		(0.5)	(1.3)%
Operating (loss)		(15.6)		(8.9)		(6.7)	NM*
Interest expense		1.0		1.0		—	
Other expense, net		0.3		0.6		(0.3)	
(Loss) from continuing operations before income taxes		(16.9)		(10.5)		(6.4)	
Income tax (benefit)		(0.3)		(0.1)		(0.2)	
Net (loss) from continuing operations		(16.6)		(10.4)		(6.2)	
(Loss) from discontinued operations, net of tax		—		—		—	
(Loss) on disposal of discontinued operations, net of tax		(0.1)		—		(0.1)	
Net (loss) from discontinued operations		(0.1)		—		(0.1)	
Net (loss)	\$	(16.7)	\$	(10.4)	\$	(6.3)	

NM*: not meaningful

Net Sales

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

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Change		Percentage Point Change Due to						
	2019	2018	\$	%	Price	Volume	Mix	Currency			
	\$	141.7	\$	164.3	\$	(22.6)	(13.8)%	1.7	(10.0)	(4.3)	(1.2)

Net sales for the three months ended March 31, 2019 decreased compared to the three months ended March 31, 2018 primarily due to unfavorable volume, mix and currency exchange partially offset by price increases in response to higher input costs. Unfavorable volume reflected weaker market conditions, including wet weather conditions in many U.S. regions, higher distributor inventory levels driving fewer replenishment orders and a decline in traditional categories. Unfavorable mix reflected lower sales of higher priced products and higher sales into channels with lower priced products.

Operating Loss

Operating results for the three months ended March 31, 2019 declined compared to the three months ended March 31, 2018. The results primarily reflected higher input costs and weaker sales partially offset by improved productivity.

Other expense, net: Other expense, net of \$0.3 million and \$0.6 million for the three months ended March 31, 2019 and 2018, respectively, primarily reflected costs for defined-benefit pension and postretirement plans. For the three months ended March 31, 2019, costs were partially offset by interest income.

Income tax expense: The income tax benefit was \$0.3 million for the three months ended March 31, 2019 compared to income tax benefit of \$0.1 million for the three months ended March 31, 2018. The effective tax rate for the first quarter of 2019 of 1.8% was flat compared to the rate of 1.0% for the same period of 2018.

Liquidity and Capital Resources

In March 2017, our board of directors authorized a share repurchase program of \$50.0 million. The authorization of the repurchase program is aligned with our goal to increase the efficiency of our capital structure over time while preserving sufficient liquidity to invest in growth projects and other value-accretive opportunities. In the first three months of 2019, we repurchased no treasury stock. From the inception of the program through March 31, 2019, we repurchased 2.5 million shares under the program for a total cost of \$41.0 million. Any shares not used to fulfill employee stock award obligation are held in treasury as of March 31, 2019.

On May 3, 2019 we announced that our board of directors has authorized an increased share repurchase program for an additional \$50.0 million beyond the \$41.0 million already repurchased under the prior share repurchase program, effective immediately. Repurchases under the new program may be made through open market, block, and privately negotiated transactions, including Rule 10b5-1 plans, at times and in such amounts as management deems appropriate, subject to market and business conditions, regulatory requirements and other factors. The authorization to purchase additional shares under the new repurchase program is aligned with our goal to return a portion of the net sale proceeds from the wood flooring business, which closed on December 31, 2018.

Our primary sources of liquidity are, and we anticipate that they will continue to be, cash generated from operations and borrowings under our secured credit facility described below. We believe these sources are sufficient to fund our capital needs, planned capital expenditures and to meet our interest and other contractual obligations in the near term, as well as any further share repurchases. Our liquidity needs for operations vary throughout the year with the majority of our cash flows typically generated in the second and third quarters. We believe the absence of cash flow from discontinued operations will not materially impact our future liquidity and capital resources.

Cash and cash equivalents totaled \$74.9 million as of March 31, 2019 of which \$53.5 million was held in the U.S.

Cash Flows

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

<i>(Dollars in millions)</i>	Three Months Ended March 31,	
	2019	2018
Cash used for operating activities	\$ (63.2)	\$ (4.4)
Cash used for investing activities	(8.6)	(10.1)
Cash (used for) provided by financing activities	(26.7)	3.7

Operating activities

Operating activities for the three months ended March 31, 2019 used \$63.2 million of cash, primarily due to a reduction in accounts payable and accrued expenses and an increase in receivables. Lower than normal net working capital at December 31, 2018 led to a larger than normal build in the first quarter of 2019. Operating activities for the three months ended March 31, 2018 used \$4.4 million of cash as changes in working capital resulted in net cash outflow, partially offset by a net cash inflow from earnings exclusive of net non-cash expenses, primarily depreciation and amortization. We typically use cash from operations in the first quarter of the year.

Investing activities

Net cash used for investing activities of \$8.6 million and \$10.1 million for the three months ended March 31, 2019 and 2018, respectively, primarily reflected purchases of property, plant and equipment.

Financing activities

Net cash used for financing activities for the three months ended March 31, 2019 was \$26.7 million. Cash used primarily reflected repayments on our revolving credit facility. Cash provided by financing activities for the three months ended March 31, 2018 was \$3.7 million and primarily reflected net proceeds from debt, partially offset by purchases of treasury stock.

Debt

On December 31, 2018, we entered into a credit agreement (the "Credit Agreement"). The Credit Agreement provides us with a \$150.0 million secured credit facility (the "Credit Facility"), consisting of a \$75.0 million revolving facility and a \$75.0 million term loan facility. The revolving facility includes a \$25.0 million sublimit for the issuance of letters of credit and a \$15.0 million sublimit for swing line loans. The Credit Facility is scheduled to mature on December 31, 2023. The Credit Agreement provides for an uncommitted accordion feature that allows us to request an increase in the revolving facility or the term loan facility in an aggregate amount not to exceed \$25.0 million.

As of March 31, 2019, the interest rate on the Credit Facility was determined to be 4.351%. We are required to pay a commitment fee, payable quarterly in arrears, on the average daily unused amount of the revolving Credit Facility, which varies according to the net leverage ratio and was 0.20% as of March 31, 2019. Outstanding letters of credit issued under the Credit Facility are subject to fees which are due quarterly in arrears based on the applicable margin described above plus a fronting fee. As of March 31, 2019 the total rate for letters of credit was 1.75%.

As of March 31, 2019, total borrowings outstanding under our Credit Facility were \$74.1 million under Term Loan A, while outstanding letters of credit were \$3.9 million. We had no borrowings outstanding under the revolving portion of the Credit Facility.

Borrowings under the Term Loan A portion of the Credit Facility are segregated on our Condensed Consolidated Balance Sheet with \$69.7 million net of fees shown as a long-term obligation and \$3.7 million presented as a short-term obligation due to quarterly principal repayment installments.

All obligations under the Credit Agreement are guaranteed by each of the our wholly owned domestic subsidiaries that individually, or together with its subsidiaries, has assets of more than \$1.0 million. All obligations under the Credit Agreement, and guarantees of those obligations, are secured by all of the present and future assets of the Company and the guarantors, subject to certain exceptions and exclusions as set forth in the Credit Agreement and other security and collateral documents.

Our foreign subsidiaries had available lines of credit totaling \$8.9 million; there were no borrowings under these lines of credit as of March 31, 2019.

Debt Covenants

The Credit Agreement requires us to comply with certain financial covenants calculated for the Company and its subsidiaries on a consolidated basis. Specifically, the Credit Agreement requires that we and our subsidiaries not:

- Permit the Consolidated Net Leverage Ratio (as defined in the Credit Agreement) at any time to be greater than 3.00 to 1.00; and
- Permit the Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Agreement) at any time to be less than 1.25 to 1.00.

The Credit Agreement also contains customary affirmative covenants and events of default, including a cross-default provision in respect of any other indebtedness that has an aggregate principal amount exceeding \$15.0 million.

As of March 31, 2019, we are in compliance with these covenants.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Recent Accounting Pronouncements

See Note 1 to the Condensed Consolidated 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

For information regarding our exposure to certain market risks, see "Quantitative and Qualitative Disclosures About Market Risk" in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our 2018 Annual Report on Form 10-K.

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, as amended (the "Exchange Act"), 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.

The Company's Chief Executive Officer (the "CEO") and Chief Financial Officer (the "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 Exchange Act. Our CEO and CFO concluded that as of March 31, 2019 these disclosure controls and procedures are effective at the reasonable assurance level described above.

Change in Internal Controls over Financial Reporting

As of January 4, 2019, Ronald D. Ford resigned from his position as Senior Vice President and CFO and Douglas B. Bingham, Vice President, Treasury and Investor Relations, became the Senior Vice President, CFO and Treasurer and principal financial officer. The role and responsibilities of principal accounting officer of the Company previously held by Mr. Ford were assumed by the Vice President and Controller, Tracy L. Marines.

On May 3, 2019, we announced that our Board of Directors and Donald R. Maier have mutually agreed that Mr. Maier would step down from his position as President and CEO, and Chairman of the Board Larry S. McWilliams has been elected Interim CEO. The role and responsibilities of principal executive officer of the Company previously held by Mr. Maier were assumed by Mr. McWilliams.

No other changes in our internal control over financial reporting occurred during the fiscal quarter ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION**Item 1. Legal Proceedings**

See Note 13 to the Condensed Consolidated Financial Statements included elsewhere in this report, which is incorporated herein by reference.

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 2018 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**(c) Issuer Purchases of Equity Securities**

The following table includes information about our stock repurchases from January 1, 2019 to March 31, 2019:

Period	Total Number of Shares Purchased ¹	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that may yet be Purchased under the Plans or Programs
January 1 - 31, 2019	1,936	\$ 11.90	—	\$9 million
February 1 - 28, 2019	15,534	\$ 15.03	—	\$9 million
March 1 - 31, 2019	29,197	\$ 13.57	—	\$9 million
Total	46,667		—	\$9 million

¹ Shares reacquired through the withholding of shares to pay employee tax obligations upon the exercise of options or vesting of restricted units granted under our long-term incentive plans and those previously granted under AWT's long-term incentive plans, which were converted to AFI units on April 1, 2016.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are filed as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Description
10.1	Form of 2019 Long-Term Performance - Based Performance Stock Unit Grant - CEO - EBITDA.†
10.2	Form of 2019 Long-Term Performance - Based Performance Stock Unit Grant - CEO - Cash Flow.†
10.3	Form of 2019 Long-Term Performance - Based Performance Stock Unit Grant - Tier I - EBITDA.†
10.4	Form of 2019 Long-Term Performance - Based Performance Stock Unit Grant - Tier II - Cash Flow.†
10.5	Form of 2019 Long-Term Performance - Based Performance Stock Unit Grant - EBITDA.†
10.6	Form of 2019 Long-Term Performance - Based Performance Stock Unit Grant - Cash Flow.†
10.7	Form of 2019 Long-Term Restricted Stock Unit Grant - CEO.†
10.8	Form of 2019 Long-Term Restricted Stock Unit Grant - U.S. & Non-U.S.†
10.9	Form of 2019 Long-Term Restricted Stock Unit Grant - Non-U.S./China.†
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.†
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.†
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.†
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.†
101.INS	XBRL Instance 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.

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: May 7, 2019

By: /s/ Douglas B. Bingham

Douglas B. Bingham
Senior Vice President, Chief Financial Officer and Treasurer
(As Duly Authorized Officer and Principal Financial Officer)

Date: May 7, 2019

By: /s/ Tracy L. Marines

Tracy L. Marines
Vice President and Controller
(As Duly Authorized Officer and Principal Accounting Officer)

**2019 Long-Term Performance-Based Restricted Stock Unit Grant
Performance Goals Based on Cumulative EBITDA**

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

Company Confidential

[Participant Name]

Date of Grant:	March 7, 2019
Performance Units (" <u>Target Award</u> "):	[Number of Awards Granted]
Maximum Performance Units (" <u>Maximum Award</u> "):	200% of Target Award
Performance Period (" <u>Performance Period</u> "):	January 1, 2019 through December 31, 2021

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 Goals 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 Cumulative EBITDA, 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 prohibited by country law or 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.

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
<ul style="list-style-type: none"> ■ Voluntary Resignation ■ Termination for Cause 	All Performance Units and accrued dividend equivalents are forfeited.
<ul style="list-style-type: none"> ■ "55 / 5" Rule Termination (55 years of age or older with 5 years of service) ■ 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.
<ul style="list-style-type: none"> ■ Death ■ 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: <ul style="list-style-type: none"> ■ Involuntary Termination Without Cause ■ Death ■ Long-Term Disability 	Performance Units calculated upon the Change in Control and accrued dividend equivalents are earned as described on Exhibit A .

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 Robert Bell (717-672-7158) if you have questions.

Sincerely,

Larry S. McWilliams

Chairman of the Armstrong Flooring Board of Directors

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

Exhibit A
Performance Goal

Cumulative EBITDA: Cumulative EBITDA is defined as (i) operating income, plus (ii) depreciation and amortization, plus (iii) non-cash pension expense, as determined by the Committee.

Cumulative EBITDA Performance Scale	
Performance Level	Payout
	0%
	50%
	75%
	100%
	120%
	140%
	160%
	180%
	200%

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 \$[x]M, 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 on or before December 31, 2019, the number of Performance Units earned with respect to the Cumulative EBITDA Performance Goal will be the Target Award.

If a Change in Control occurs on or after January 1, 2020 and prior to the end of the Performance Period, the number of Performance Units earned with respect to the Cumulative EBITDA Performance Goal will be the greater of (i) the Target Award or (ii) the number of Performance Units earned with respect to the Cumulative EBITDA Performance Goal based on actual Cumulative EBITDA through the date of the Change in Control relative to the 2019, 2020 and 2021 portions of the total Cumulative EBITDA target, as determined by the Committee before the Change in Control in its sole discretion. Cumulative EBITDA through the date of the Change in Control shall be compared to the annual and quarterly targets for the period through the date of the Change in Control.

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 2019 Long-Term Performance-Based Restricted Stock Unit Grant Letters (including Exhibits A attached thereto) to which these Grant Conditions (as defined below) relate (the "Grant Letters"). Each 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 March 7, 2019. 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 Cumulative Free Cash Flow and Cumulative EBITDA performance goals set forth in the Grant Letters (the "Performance Goals"), employment conditions and other terms of these Grant Conditions are met. The "Performance Period" for which the attainment of the Performance Goals will be measured is the period beginning January 1, 2019 and ending December 31, 2021.

(c) These Terms and Conditions (the "Grant Conditions") are part of the Grant Letters. 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 Goals: Vesting

(a) The Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goals for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the "Employer") through December 31, 2021 (the "Vesting Date"). The Performance Units shall be earned based on attainment of the Performance Goals and shall vest based on the Grantee's continued employment through the Vesting 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 Goals have 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 Goals, as set forth in the Grant Letters. 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 Letters. The earned Performance Units shall continue to vest based on the Grantee's continued employment through the Vesting Date, 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 as of 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 Goals, and to the extent that the Performance Goals are 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 Vesting Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *"55 / 5" Rule Termination.* If, after ten months following the Date of Grant but prior to the Vesting Date, the Grantee ceases to be employed by the Employer on account of a "55 / 5" Rule 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 Goals are 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 Change in Control, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date and the denominator of which is 36. 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.

(e) *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 the Vesting Date, the Grantee shall vest in the Performance Units earned as of the Change in Control date as described in the Grant Letters. 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.**

(f) *Coordination of Provisions.* If the Grantee terminates employment in a termination that is both a “‘55 / 5’ Rule Termination” and an Involuntary Termination, the termination shall be treated as an Involuntary Termination for purposes of the Grant Conditions and Grant Letters.

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

(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) “‘55 / 5’ Rule Termination” shall mean the Grantee’s termination of employment other than for Cause after the Grantee has attained age 55 and has completed five years of service with the Employer.

(c) “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.

(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 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.

Exhibit 10.1

(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.

(a) Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goals 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 withholding for Taxes (as defined below) 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 2022 as soon as practicable after the Committee certifies the extent to which the Performance Goals and other conditions to payment of the Performance Units have been met, but not later than April 30, 2022, except as provided below. All unpaid Performance Units 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 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 withholding for Taxes. 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).

(c) 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 Goals, 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 Vesting 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 Letters 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 Letters, 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.

(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 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 Performance Units, including the grant, vesting or settlement of the Performance Units and the subsequent sale of any

Exhibit 10.1

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 Performance 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Performance Units under the Grant Letters and these Grant Conditions, the Grantee acknowledges the following:

(a) the Plan is established voluntarily by the Company, the grant of the Performance 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 Performance Units under the Plan is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Units, or benefits in lieu of them, even if Performance Units have been granted repeatedly in the past;

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

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

(e) the Performance 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;

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(f) the Performance 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 Performance 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 Performance 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 Performance 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 Performance 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 Performance 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 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.

* * *

Attachment 1**Definitions**

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

(a) “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.

(b) “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.

(c) “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 Performance Units, shall replace the definition of “Injurious Conduct” set forth in Section 13 of the Plan.

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(i) 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;

(ii) During the Grantee's employment or service with the Employer and for a period of twenty-four (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;

(iii) 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

(iv) 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 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:

(1) 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

Exhibit 10.1

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.

(2) During the Grantee's employment or service with the Employer and for a period of eighteen (18) months thereafter, 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.

(3) 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.

**2019 Long-Term Performance-Based Restricted Stock Unit Grant
Performance Goals Based on Cumulative Free Cash Flow**

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

Company Confidential

[Participant Name]

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

Date of Grant:	March 7, 2019
Performance Units (" <u>Target Award</u> "):	[Number of Awards Granted]
Maximum Performance Units (" <u>Maximum Award</u> "):	200% of Target Award
Performance Period (" <u>Performance Period</u> "):	January 1, 2019 through December 31, 2021

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 Goals 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 Cumulative Free Cash Flow, 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 prohibited by country law or 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.

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
<ul style="list-style-type: none"> ■ Voluntary Resignation ■ Termination for Cause 	All Performance Units and accrued dividend equivalents are forfeited.
<ul style="list-style-type: none"> ■ "55 / 5" Rule Termination (55 years of age or older with 5 years of service) ■ 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.
<ul style="list-style-type: none"> ■ Death ■ 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: <ul style="list-style-type: none"> ■ Involuntary Termination Without Cause ■ Death ■ Long-Term Disability 	Performance Units calculated upon the Change in Control and accrued dividend equivalents are earned as described on Exhibit A .

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 Robert Bell (717-672-7158) if you have questions.

Sincerely,

Larry S. McWilliams

Chairman of the Armstrong Flooring Board of Directors

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

Exhibit A
Performance Goal

Cumulative Free Cash Flow: Cumulative Free Cash Flow is defined as cash flow from operations, less cash used in investing activities, as determined by the Committee.

Cumulative Free Cash Flow Performance Scale		
Performance Level		Payout
		0%
		50%
		75%
		100%
		120%
		140%
		160%
		180%
		200%

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 \$[x]M, 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 on or before December 31, 2019, the number of Performance Units earned with respect to the Cumulative Free Cash Flow Performance Goal will be the Target Award.

If a Change in Control occurs on or after January 1, 2020 and prior to the end of the Performance Period, the number of Performance Units earned with respect to the Cumulative Free Cash Flow Performance Goal will be the greater of (i) the Target Award or (ii) the number of Performance Units earned with respect to the Cumulative Free Cash Flow Performance Goal based on actual Cumulative Free Cash Flow through the date of the Change in Control relative to the 2019, 2020 and 2021 portions of the total Cumulative Free Cash Flow target, as determined by the Committee before the Change in Control in its sole discretion. Cumulative Free Cash Flow through the date of the Change in Control shall be compared to the annual and quarterly targets for the period through the date of the Change in Control.

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 2019 Long-Term Performance-Based Restricted Stock Unit Grant Letters (including Exhibits A attached thereto) to which these Grant Conditions (as defined below) relate (the “Grant Letters”). Each 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 March 7, 2019. 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 Cumulative Free Cash Flow and Cumulative EBITDA performance goals set forth in the Grant Letters (the “Performance Goals”), employment conditions and other terms of these Grant Conditions are met. The “Performance Period” for which the attainment of the Performance Goals will be measured is the period beginning January 1, 2019 and ending December 31, 2021.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letters. 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 Goals; Vesting

(a) The Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goals for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the “Employer”) through December 31, 2021 (the “Vesting Date”). The Performance Units shall be earned based on attainment of the Performance Goals and shall vest based on the Grantee’s continued employment through the Vesting 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 Goals have 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 Goals, as set forth in the Grant Letters. 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 Letters. The earned Performance Units shall continue to vest based on the Grantee’s continued employment through the Vesting Date, 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 as of 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 Goals, and to the extent that the Performance Goals are 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 Vesting Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *“55 / 5” Rule Termination.* If, after ten months following the Date of Grant but prior to the Vesting Date, the Grantee ceases to be employed by the Employer on account of a “55 / 5” Rule 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 Goals are 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 Change in Control, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee’s termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee’s termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee’s termination date and the denominator of which is 36. 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.

(e) *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 the Vesting Date, the Grantee shall vest in the Performance Units earned as of the Change in Control date as described in the Grant Letters. 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.**

(f) *Coordination of Provisions.* If the Grantee terminates employment in a termination that is both a “55 / 5” Rule Termination” and an Involuntary Termination, the termination shall be treated as an Involuntary Termination for purposes of the Grant Conditions and Grant Letters.

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

Exhibit 10.2

- (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) “55 / 5’ Rule Termination” shall mean the Grantee’s termination of employment other than for Cause after the Grantee has attained age 55 and has completed five years of service with the Employer.
- (c) “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.
- (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 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.

(a) Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goals 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 withholding for Taxes (as defined below) 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 2022 as soon as practicable after the Committee certifies the extent to which the Performance Goals and other conditions to payment of the Performance Units have been met, but not later than April 30, 2022, except as provided below. All unpaid Performance Units 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 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 withholding for Taxes. 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).

(c) 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 Goals, 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 Vesting 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 Letters 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 Letters, 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.

(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 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 Performance Units, including the grant, vesting or settlement of the Performance 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 Performance 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Performance Units under the Grant Letters and these Grant Conditions, the Grantee acknowledges the following:

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

* * *

Attachment 1**Definitions**

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

(a) “**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.

(b) “**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.

(c) “**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 Performance Units, shall replace the definition of “Injurious Conduct” set forth in Section 13 of the Plan.

(i) 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;

(ii) During the Grantee’s employment or service with the Employer and for a period of twenty-four (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;

(iii) 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

(iv) 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 10.2

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:

(1) 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.

(2) During the Grantee's employment or service with the Employer and for a period of eighteen 18 months thereafter, 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.

(3) 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.

**2019 Long-Term Performance-Based Restricted Stock Unit Grant
Performance Goals Based on Cumulative EBITDA**

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

Company Confidential

[Participant Name]

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

Date of Grant:	March 7, 2019
Performance Units (" <u>Target Award</u> "):	[Number of Awards Granted]
Maximum Performance Units (" <u>Maximum Award</u> "):	200% of Target Award
Performance Period (" <u>Performance Period</u> "):	January 1, 2019 through December 31, 2021

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 Goals 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 Cumulative EBITDA, 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 prohibited by country law or 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.

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
<ul style="list-style-type: none"> ■ Voluntary Resignation ■ Termination for Cause 	All Performance Units and accrued dividend equivalents are forfeited.
<ul style="list-style-type: none"> ■ "55 / 5" Rule Termination (55 years of age or older with 5 years of service) ■ 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.
<ul style="list-style-type: none"> ■ Death ■ 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: <ul style="list-style-type: none"> ■ Involuntary Termination Without Cause ■ Death ■ Long-Term Disability 	Performance Units calculated upon the Change in Control and accrued dividend equivalents are earned as described on Exhibit A .

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 Robert Bell (717-672-7158) if you have questions.

Sincerely,

Donald R. Maier
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

Cumulative EBITDA: Cumulative EBITDA is defined as (i) operating income, plus (ii) depreciation and amortization, plus (iii) non-cash pension expense, as determined by the Committee.

Cumulative EBITDA Performance Scale	
Performance Level	Payout
	0%
	50%
	75%
	100%
	120%
	140%
	160%
	180%
	200%

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 \$[x]M, 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 on or before December 31, 2019, the number of Performance Units earned with respect to the Cumulative EBITDA Performance Goal will be the Target Award.

If a Change in Control occurs on or after January 1, 2020 and prior to the end of the Performance Period, the number of Performance Units earned with respect to the Cumulative EBITDA Performance Goal will be the greater of (i) the Target Award or (ii) the number of Performance Units earned with respect to the Cumulative EBITDA Performance Goal based on actual Cumulative EBITDA through the date of the Change in Control relative to the 2019, 2020 and 2021 portions of the total Cumulative EBITDA target, as determined by the Committee before the Change in Control in its sole discretion. Cumulative EBITDA through the date of the Change in Control shall be compared to the annual and quarterly targets for the period through the date of the Change in Control.

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 2019 Long-Term Performance-Based Restricted Stock Unit Grant Letters (including Exhibits A attached thereto) to which these Grant Conditions (as defined below) relate (the “Grant Letters”). Each 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 March 7, 2019. 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 Cumulative Free Cash Flow and Cumulative EBITDA performance goals set forth in the Grant Letters (the “Performance Goals”), employment conditions and other terms of these Grant Conditions are met. The “Performance Period” for which the attainment of the Performance Goals will be measured is the period beginning January 1, 2019 and ending December 31, 2021.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letters. 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 Goals; Vesting

(a) The Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goals for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the “Employer”) through December 31, 2021 (the “Vesting Date”). The Performance Units shall be earned based on attainment of the Performance Goals and shall vest based on the Grantee’s continued employment through the Vesting 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 Goals have 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 Goals, as set forth in the Grant Letters. 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 Letters. The earned Performance Units shall continue to vest based on the Grantee’s continued employment through the Vesting Date, 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 as of 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 Goals, and to the extent that the Performance Goals are 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 Vesting Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *"55 / 5" Rule Termination.* If, after ten months following the Date of Grant but prior to the Vesting Date, the Grantee ceases to be employed by the Employer on account of a "55 / 5" Rule 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 Goals are 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 Change in Control, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date and the denominator of which is 36. 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.

(e) *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 the Vesting Date, the Grantee shall vest in the Performance Units earned as of the Change in Control date as described in the Grant Letters. 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.**

(f) *Coordination of Provisions.* If the Grantee terminates employment in a termination that is both a “55 / 5’ Rule Termination” and an Involuntary Termination, the termination shall be treated as an Involuntary Termination for purposes of the Grant Conditions and Grant Letters.

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

(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) “55 / 5’ Rule Termination” shall mean the Grantee’s termination of employment other than for Cause after the Grantee has attained age 55 and has completed five years of service with the Employer.

(c) “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.

(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 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

(a) Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goals 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 withholding for Taxes (as defined below) 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 2022 as soon as practicable after the Committee certifies the extent to which the Performance Goals and other conditions to payment of the Performance Units have been met, but not later than April 30, 2022, except as provided below. All unpaid Performance Units 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 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 withholding for Taxes. 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).

(c) 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 Goals, 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 Vesting 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 Letters 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 Letters, 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.

(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 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 Performance Units, including the grant, vesting or settlement of the Performance Units and the subsequent sale of any

Exhibit 10.3

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 Performance 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Performance Units under the Grant Letters and these Grant Conditions, the Grantee acknowledges the following:

(a) the Plan is established voluntarily by the Company, the grant of the Performance 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 Performance Units under the Plan is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Units, or benefits in lieu of them, even if Performance Units have been granted repeatedly in the past;

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

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

(e) the Performance 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 Performance 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 Performance 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 Performance 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 Performance 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 Performance 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 Performance 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 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.

* * *

Attachment 1**Definitions**

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

(a) “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.

(b) “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.

(c) “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 Performance Units, shall replace the definition of “Injurious Conduct” set forth in Section 13 of the Plan.

(i) 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;

(ii) During the Grantee's employment or service with the Employer and for a period of eighteen (18) 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;

(iii) 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

(iv) 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 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:

(1) 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

Exhibit 10.3

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.

(2) During the Grantee's employment or service with the Employer and for a period of eighteen 18 months thereafter, 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.

(3) 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.

**2019 Long-Term Performance-Based Restricted Stock Unit Grant
Performance Goals Based on Cumulative Free Cash Flow**

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

Company Confidential

[Participant Name]

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

Date of Grant:	March 7, 2019
Performance Units (" <u>Target Award</u> "):	[Number of Awards Granted]
Maximum Performance Units (" <u>Maximum Award</u> "):	200% of Target Award
Performance Period (" <u>Performance Period</u> "):	January 1, 2019 through December 31, 2021

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 Goals 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 Cumulative Free Cash Flow, 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 prohibited by country law or 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.

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
<ul style="list-style-type: none"> ■ Voluntary Resignation ■ Termination for Cause 	All Performance Units and accrued dividend equivalents are forfeited.
<ul style="list-style-type: none"> ■ "55 / 5" Rule Termination (55 years of age or older with 5 years of service) ■ 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.
<ul style="list-style-type: none"> ■ Death ■ 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: <ul style="list-style-type: none"> ■ Involuntary Termination Without Cause ■ Death ■ 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 Robert Bell (717-672-7158) if you have questions.

Sincerely,

Donald R. Maier
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

Cumulative Free Cash Flow: Cumulative Free Cash Flow is defined as cash flow from operations, less cash used in investing activities, as determined by the Committee.

Cumulative Free Cash Flow Performance Scale	
Performance Level	Payout
	0%
	50%
	75%
	100%
	120%
	140%
	160%
	180%
	200%

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 \$[x]M, 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 on or before December 31, 2019, the number of Performance Units earned with respect to the Cumulative Free Cash Flow Performance Goal will be the Target Award.

If a Change in Control occurs on or after January 1, 2020 and prior to the end of the Performance Period, the number of Performance Units earned with respect to the Cumulative Free Cash Flow Performance Goal will be the greater of (i) the Target Award or (ii) the number of Performance Units earned with respect to the Cumulative Free Cash Flow Performance Goal based on actual Cumulative Free Cash Flow through the date of the Change in Control relative to the 2019, 2020 and 2021 portions of the total Cumulative Free Cash Flow target, as determined by the Committee before the Change in Control in its sole discretion. Cumulative Free Cash Flow through the date of the Change in Control shall be compared to the annual and quarterly targets for the period through the date of the Change in Control.

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 2019 Long-Term Performance-Based Restricted Stock Unit Grant Letters (including Exhibits A attached thereto) to which these Grant Conditions (as defined below) relate (the "Grant Letters"). Each 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 March 7, 2019. 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 Cumulative Free Cash Flow and Cumulative EBITDA performance goals set forth in the Grant Letters (the "Performance Goals"), employment conditions and other terms of these Grant Conditions are met. The "Performance Period" for which the attainment of the Performance Goals will be measured is the period beginning January 1, 2019 and ending December 31, 2021.

(c) These Terms and Conditions (the "Grant Conditions") are part of the Grant Letters. 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 Goals: Vesting

(a) The Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goals for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the "Employer") through December 31, 2021 (the "Vesting Date"). The Performance Units shall be earned based on attainment of the Performance Goals and shall vest based on the Grantee's continued employment through the Vesting 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 Goals have 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 Goals, as set forth in the Grant Letters. 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 Letters. The earned Performance Units shall continue to vest based on the Grantee's continued employment through the Vesting Date, 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 as of 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 Goals, and to the extent that the Performance Goals are 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 Vesting Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *"55 / 5" Rule Termination.* If, after ten months following the Date of Grant but prior to the Vesting Date, the Grantee ceases to be employed by the Employer on account of a "55 / 5" Rule 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 Goals are 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 Change in Control, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date and the denominator of which is 36. 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.

(e) *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 the Vesting Date, the Grantee shall vest in the Performance Units earned as of the Change

in Control date as described in the Grant Letters. 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.**

(f) *Coordination of Provisions.* If the Grantee terminates employment in a termination that is both a “55 / 5’ Rule Termination” and an Involuntary Termination, the termination shall be treated as an Involuntary Termination for purposes of the Grant Conditions and Grant Letters.

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

(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) “55 / 5’ Rule Termination” shall mean the Grantee’s termination of employment other than for Cause after the Grantee has attained age 55 and has completed five years of service with the Employer.

(c) “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.

(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 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.

(a) Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goals 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 withholding for Taxes (as defined below) 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 2022 as soon as practicable after the Committee certifies the extent to which the Performance Goals and other conditions to payment of the Performance Units have been met, but not later than April 30, 2022, except as provided below. All unpaid Performance Units 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 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 withholding for Taxes. 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).

(c) 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 Goals, 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 Vesting 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 Letters 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 Letters, 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.

(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 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 Performance Units, including the grant, vesting or settlement of the Performance 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 Performance 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Performance Units under the Grant Letters and these Grant Conditions, the Grantee acknowledges the following:

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

* * *

Attachment 1**Definitions**

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

(a) “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.

(b) “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.

(c) “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 Performance Units, shall replace the definition of “Injurious Conduct” set forth in Section 13 of the Plan.

(i) 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;

(ii) During the Grantee's employment or service with the Employer and for a period of eighteen (18) 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;

(iii) 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

(iv) 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 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:

(1) 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

Exhibit 10.4

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.

(2) During the Grantee's employment or service with the Employer and for a period of eighteen 18 months thereafter, 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.

(3) 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.

**2019 Long-Term Performance-Based Restricted Stock Unit Grant
Performance Goals Based on Cumulative Free EBITDA**

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

Company Confidential

[Participant Name]

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

Date of Grant:	March 7, 2019
Performance Units (" <u>Target Award</u> "):	[Number of Awards Granted]
Maximum Performance Units (" <u>Maximum Award</u> "):	200% of Target Award
Performance Period (" <u>Performance Period</u> "):	January 1, 2019 through December 31, 2021

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 Goals 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 Cumulative EBITDA, 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**. *[Note: Bracketed provision for Tier I only.]* The Company will withhold shares to satisfy your tax obligations unless prohibited by country law or 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.

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
<ul style="list-style-type: none"> ■ Voluntary Resignation ■ Termination for Cause 	All Performance Units and accrued dividend equivalents are forfeited.
<ul style="list-style-type: none"> ■ "55 / 5" Rule Termination (55 years of age or older with 5 years of service) ■ 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.
<ul style="list-style-type: none"> ■ Death ■ 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: <ul style="list-style-type: none"> ■ Involuntary Termination Without Cause ■ Death ■ Long-Term Disability 	Performance Units calculated upon the Change in Control and accrued dividend equivalents are earned as described on Exhibit A .

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 Robert Bell (717-672-7158) if you have questions.

Sincerely,

Donald R. Maier
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

Cumulative EBITDA: Cumulative EBITDA is defined as (i) operating income, plus (ii) depreciation and amortization, plus (iii) non-cash pension expense, as determined by the Committee.

Cumulative EBITDA Performance Scale	
Performance Level	Payout
	0%
	50%
	75%
	100%
	120%
	140%
	160%
	180%
	200%

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 \$[x]M, 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 on or before December 31, 2019, the number of Performance Units earned with respect to the Cumulative EBITDA Performance Goal will be the Target Award.

If a Change in Control occurs on or after January 1, 2020 and prior to the end of the Performance Period, the number of Performance Units earned with respect to the Cumulative EBITDA Performance Goal will be the greater of (i) the Target Award or (ii) the number of Performance Units earned with respect to the Cumulative EBITDA Performance Goal based on actual Cumulative EBITDA through the date of the Change in Control relative to the 2019, 2020 and 2021 portions of the total Cumulative EBITDA target, as determined by the Committee before the Change in Control in its sole discretion. Cumulative EBITDA through the date of the Change in Control shall be compared to the annual and quarterly targets for the period through the date of the Change in Control.

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 2019 Long-Term Performance-Based Restricted Stock Unit Grant Letters (including Exhibits A attached thereto) to which these Grant Conditions (as defined below) relate (the “Grant Letters”). Each 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 March 7, 2019. 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 Cumulative Free Cash Flow and Cumulative EBITDA performance goals set forth in the Grant Letters (the “Performance Goals”), employment conditions and other terms of these Grant Conditions are met. The “Performance Period” for which the attainment of the Performance Goals will be measured is the period beginning January 1, 2019 and ending December 31, 2021.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letters. 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 Goals: Vesting

(a) The Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goals for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the “Employer”) through December 31, 2021 (the “Vesting Date”). The Performance Units shall be earned based on attainment of the Performance Goals and shall vest based on the Grantee’s continued employment through the Vesting 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 Goals have 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 Goals, as set forth in the Grant Letters. 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 Letters. The earned Performance Units shall continue to vest based on the Grantee’s continued employment through the Vesting Date, 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 as of 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 Goals, and to the extent that the Performance Goals are 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 Vesting Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *"55 / 5" Rule Termination.* If, after ten months following the Date of Grant but prior to the Vesting Date, the Grantee ceases to be employed by the Employer on account of a "55 / 5" Rule 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 Goals are 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 Change in Control, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date and the denominator of which is 36. 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.

(e) *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 the Vesting Date, the Grantee shall vest in the Performance Units earned as of the Change in Control date as described in the Grant Letters. 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.**

(f) *Coordination of Provisions.* If the Grantee terminates employment in a termination that is both a “‘55 / 5’ Rule Termination” and an Involuntary Termination, the termination shall be treated as an Involuntary Termination for purposes of the Grant Conditions and Grant Letters.

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

(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) “‘55 / 5’ Rule Termination” shall mean the Grantee’s termination of employment other than for Cause after the Grantee has attained age 55 and has completed five years of service with the Employer.

(c) “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.

(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 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.

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(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.

(a) Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goals 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 withholding for Taxes (as defined below) 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 2022 as soon as practicable after the Committee certifies the extent to which the Performance Goals and other conditions to payment of the Performance Units have been met, but not later than April 30, 2022, except as provided below. All unpaid Performance Units 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 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 withholding for Taxes. 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).

(c) 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 Goals, 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 Vesting 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. *[Note: Bracketed provision for Tier I only.]*

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 Letters 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 Letters, 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.**

(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 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

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Performance Units, including the grant, vesting or settlement of the Performance 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 Performance 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Performance Units under the Grant Letters and these Grant Conditions, the Grantee acknowledges the following:

(a) the Plan is established voluntarily by the Company, the grant of the Performance 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 Performance Units under the Plan is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Units, or benefits in lieu of them, even if Performance Units have been granted repeatedly in the past;

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

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

(e) the Performance 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;

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(f) the Performance 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 Performance 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 Performance 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 Performance 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 Performance 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 Performance 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 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.

* * *

Attachment 1**Definitions**

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

(a) “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.

(b) “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.

(c) “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 Performance Units, shall replace the definition of “Injurious Conduct” set forth in Section 13 of the Plan.

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(i) 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;

(ii) During the Grantee's employment or service with the Employer and for a period of twelve (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, 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;

(iii) 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

(iv) 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 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:

(1) 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

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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.

(2) During the Grantee's employment or service with the Employer and for a period of twelve (12) months thereafter, 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.

(3) 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.

**2019 Long-Term Performance-Based Restricted Stock Unit Grant
Performance Goals Based on Cumulative Free Cash Flow**

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

Company Confidential

[Participant Name]

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

Date of Grant:	March 7, 2019
Performance Units (" <u>Target Award</u> "):	[Number of Awards Granted]
Maximum Performance Units (" <u>Maximum Award</u> "):	200% of Target Award
Performance Period (" <u>Performance Period</u> "):	January 1, 2019 through December 31, 2021

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 Goals 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 Cumulative Free Cash Flow, 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 prohibited by country law or 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.

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
<ul style="list-style-type: none"> ■ Voluntary Resignation ■ Termination for Cause 	All Performance Units and accrued dividend equivalents are forfeited.
<ul style="list-style-type: none"> ■ "55 / 5" Rule Termination (55 years of age or older with 5 years of service) ■ 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.
<ul style="list-style-type: none"> ■ Death ■ 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: <ul style="list-style-type: none"> ■ Involuntary Termination Without Cause ■ Death ■ 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 Robert Bell (717-672-7158) if you have questions.

Sincerely,

Donald R. Maier
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

Cumulative Free Cash Flow: Cumulative Free Cash Flow is defined as cash flow from operations, less cash used in investing activities, as determined by the Committee.

Cumulative Free Cash Flow Performance Scale		
Performance Level		Payout
		0%
		50%
		75%
		100%
		120%
		140%
		160%
		180%
		200%

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 \$[x]M, 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 on or before December 31, 2019, the number of Performance Units earned with respect to the Cumulative Free Cash Flow Performance Goal will be the Target Award.

If a Change in Control occurs on or after January 1, 2020 and prior to the end of the Performance Period, the number of Performance Units earned with respect to the Cumulative Free Cash Flow Performance Goal will be the greater of (i) the Target Award or (ii) the number of Performance Units earned with respect to the Cumulative Free Cash Flow Performance Goal based on actual Cumulative Free Cash Flow through the date of the Change in Control relative to the 2019, 2020 and 2021 portions of the total Cumulative Free Cash Flow target, as determined by the Committee before the Change in Control in its sole discretion. Cumulative Free Cash Flow through the date of the Change in Control shall be compared to the annual and quarterly targets for the period through the date of the Change in Control.

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 2019 Long-Term Performance-Based Restricted Stock Unit Grant Letters (including Exhibits A attached thereto) to which these Grant Conditions (as defined below) relate (the “Grant Letters”). Each 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 March 7, 2019. 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 Cumulative Free Cash Flow and Cumulative EBITDA performance goals set forth in the Grant Letters (the “Performance Goals”), employment conditions and other terms of these Grant Conditions are met. The “Performance Period” for which the attainment of the Performance Goals will be measured is the period beginning January 1, 2019 and ending December 31, 2021.

(c) These Terms and Conditions (the “Grant Conditions”) are part of the Grant Letters. 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 Goals: Vesting

(a) The Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goals for the Performance Period, provided that the Grantee continues to be employed by the Company or its subsidiaries or affiliates (collectively the “Employer”) through December 31, 2021 (the “Vesting Date”). The Performance Units shall be earned based on attainment of the Performance Goals and shall vest based on the Grantee’s continued employment through the Vesting 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 Goals have 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 Goals, as set forth in the Grant Letters. 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 Letters. The earned Performance Units shall continue to vest based on the Grantee’s continued employment through the Vesting Date, 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 as of 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 Goals, and to the extent that the Performance Goals are 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 Vesting Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) *"55 / 5" Rule Termination.* If, after ten months following the Date of Grant but prior to the Vesting Date, the Grantee ceases to be employed by the Employer on account of a "55 / 5" Rule 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 Goals are 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 Change in Control, the amount achieved for the Performance Period shall be determined as of the Change in Control date as described in the Grant Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date, and the denominator of which is 36. 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) *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 Vesting 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 Goals are 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 Letters. The pro-rated portion shall be determined by multiplying the number of Performance Units earned based on attainment of the Performance Goals by a fraction, the numerator of which is the number of months that elapsed during the period beginning on January 1, 2019 through the Grantee's termination date and the denominator of which is 36. 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.

(e) *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 the Vesting Date, the Grantee shall vest in the Performance Units earned as of the Change in Control date as described in the Grant Letters. 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.**

(f) *Coordination of Provisions.* If the Grantee terminates employment in a termination that is both a “‘55 / 5’ Rule Termination” and an Involuntary Termination, the termination shall be treated as an Involuntary Termination for purposes of the Grant Conditions and Grant Letters.

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

(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) “‘55 / 5’ Rule Termination” shall mean the Grantee’s termination of employment other than for Cause after the Grantee has attained age 55 and has completed five years of service with the Employer.

(c) “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.

(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 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.

(a) Except as provided below, after the end of the Performance Period, if the Committee certifies that the Performance Goals 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 withholding for Taxes (as defined below) 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 2022 as soon as practicable after the Committee certifies the extent to which the Performance Goals and other conditions to payment of the Performance Units have been met, but not later than April 30, 2022, except as provided below. All unpaid Performance Units 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 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 withholding for Taxes. 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).

(c) 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 Goals, 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 Letters 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 Letters, 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.

(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 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 Performance Units, including the grant, vesting or settlement of the Performance 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 Performance 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.

13. Company Policies. All amounts payable under the Grant Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Letters 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 Units under the Grant Letters and these Grant Conditions, the Grantee acknowledges the following:
- (a) the Plan is established voluntarily by the Company, the grant of the Performance 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 Performance Units under the Plan is voluntary and occasional and does not create any contractual or other right to receive future grants of Performance Units, or benefits in lieu of them, even if Performance Units have been granted repeatedly in the past;
 - (c) all decisions with respect to future grants of Performance Units, if any, will be at the sole discretion of the Committee;
 - (d) the Grantee is voluntarily participating in the Plan;
 - (e) the Performance 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 Performance 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 Performance 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 Performance 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 Performance 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 Performance 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 Performance 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.

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 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.

* * *

Attachment 1**Definitions**

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

(a) “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.

(b) “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.

(c) “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 Performance Units, shall replace the definition of “Injurious Conduct” set forth in Section 13 of the Plan.

Exhibit 10.6

(i) 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;

(ii) During the Grantee's employment or service with the Employer and for a period of twelve (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, 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;

(iii) 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

(iv) 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 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:

(1) 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

Exhibit 10.6

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.

(2) During the Grantee's employment or service with the Employer and for a period of twelve (12) months thereafter, 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.

(3) 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.

2019 Long-Term Time-Based Restricted Stock Unit Grant

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

[Participant Name]

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

Date of Grant:	March 7, 2019
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.

Event	Provisions
<ul style="list-style-type: none"> ■ Voluntary Resignation 	Forfeit all unvested Restricted Stock Units and accrued dividends
<ul style="list-style-type: none"> ■ Termination for Cause 	Forfeit all unpaid (vested or unvested) Restricted Stock Units and accrued dividends
<ul style="list-style-type: none"> ■ "55 / 5" Rule Termination (55 years of age or older with 5 years of service) ■ 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
<ul style="list-style-type: none"> ■ Death ■ Long-Term Disability 	Restricted Stock Units and accrued dividends vest pro-rata based on the period of employment
<ul style="list-style-type: none"> ■ 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 Robert Bell (717-672-7158) if you have questions.

Sincerely,

Larry S. McWilliams

Chairman of the Armstrong Flooring Board of Directors

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 2019 Long-Term Time-Based Restricted Stock Unit Grant Letter to which these Grant Conditions relate (the "Grant Letter"). The "Date of Grant" is March 7, 2019. 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 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 "55 / 5" Rule Termination (as defined below) or 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) "55 / 5' Rule Termination" shall mean the Grantee's termination of employment other than for Cause after the Grantee has attained age 55 and has completed five years of service with the Employer.

(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.

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 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.
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 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;
- (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 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.

* * *

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:

(a) “**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.

(b) “**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.

(c) “**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.

(i) 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;

(ii) During the Grantee's employment or service with the Employer and for a period of twenty-four (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;

(iii) 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

(iv) 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 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:

(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 for a period of eighteen 18 months thereafter, 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.

2019 Long-Term Time-Based Restricted Stock Unit Grant

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

[Participant Name]

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

Date of Grant: March 7, 2019
 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.

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.

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
■ "55 / 5" Rule Termination (55 years of age or older with 5 years of service) ■ 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
■ Death ■ 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 Robert Bell (717-672-7158) if you have questions.

Sincerely,

Donald R. Maier
President and Chief Executive Officer

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 2019 Long-Term Time-Based Restricted Stock Unit Grant Letter to which these Grant Conditions relate (the "Grant Letter"). The "Date of Grant" is March 7, 2019. 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 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 "55 / 5" Rule Termination (as defined below) or 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

Exhibit 10.8

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) "55 / 5' Rule Termination" shall mean the Grantee's termination of employment other than for Cause after the Grantee has attained age 55 and has completed five years of service with the Employer.

(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.

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 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.
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 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;

(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 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.

* * *

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:

(a) “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.

(b) “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.

(c) “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.

(i) 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;

(ii) During the Grantee's employment or service with the Employer and either for a period of twelve (12) months or for a period of eighteen (18) months if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., 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;

(iii) 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

(iv) 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 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:

(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

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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 for a period of twelve (12) months or for a period of eighteen (18) months if the Grantee participates in the Severance Pay Plan for Executive Employees of Armstrong Flooring, Inc., months thereafter, 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.

2019 Long-Term Time-Based Restricted Stock Unit Grant

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

[Participant Name]

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

Date of Grant: March 7, 2019
 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. The Restricted Stock Units will be paid in cash.

<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%

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
■ "55 / 5" Rule Termination (55 years of age or older with 5 years of service) ■ 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
■ Death ■ 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 Robert Bell (717-672-7158) if you have questions.

Sincerely,

Donald R. Maier
President and Chief Executive Officer

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 2019 Long-Term Time-Based Restricted Stock Unit Grant Letter to which these Grant Conditions relate (the “Grant Letter”). The “Date of Grant” is March 7, 2019. The Time-Based Units are Stock Units that relate to common stock of the Company (“Company Stock”) and entitle the Grantee to receive a cash bonus payment from the Grantee’s employer subject to the terms set forth below.

(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 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 “55 / 5” Rule Termination (as defined below) or Involuntary Termination (as defined below) (each, a “Qualifying Termination”), the Grantee shall vest in a pro-rated portion of the granted Time-Based

Exhibit 10.9

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 invested 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) "55 / 5' Rule Termination" shall mean the Grantee's termination of employment other than for Cause after the Grantee has attained age 55 and has completed five years of service with the Employer.

(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.

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.

(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 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, the Company shall cause the Grantee's employer to make a cash payment to the Grantee, payable in local currency, equal to the Fair Market Value of the shares of Company Stock underlying the vested Time-Based Units (rounded up to the nearest whole share), subject to applicable withholding for Taxes (as defined below). The Fair Market Value of the shares shall be determined as of the date immediately before the payment date. Payment shall be made within 60 days after the applicable vesting date.

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. **No Stockholder Rights.** No shares of Company Stock shall be issued to the Grantee with respect to the Time-Based Units, 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.
10. **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.
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 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.
12. **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").
- (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 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.
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 Time-Based 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. 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.
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

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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 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;

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

(e) the Time-Based Units 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 the scope of the Grantee's employment contract, if any;

(f) the Time-Based Units 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 Time-Based Units and any payments thereunder 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. 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; 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 payment 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 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 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, and details of all awards 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.

* * *

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:

(a) “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.

(b) “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.

(c) “Injurious Conduct” shall mean the activities described in subsections (i), (ii), (iii), (iv) and (v) below and, for purposes of the Time-Based Units, shall replace the definition of “Injurious Conduct” set forth in Section 13 of the Plan.

Exhibit 10.9

(i) 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;

(ii) During the Grantee's employment or service with the Employer, the Grantee, directly for the Grantee or any third party, except on behalf of the Company or its subsidiaries or affiliates, becomes 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;

(iii) During the Grantee's employment or service with the Employer and for a period of twelve (12) 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, (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

(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) 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;

(iv) 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

(v) 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.

CERTIFICATIONS
Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934, As Amended

I, Larry S. McWilliams, 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: May 7, 2019

By: /s/ Larry S. McWilliams

Larry S. McWilliams
Chairman of the Board and Interim Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS
Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934, As Amended

I, Douglas B. Bingham, 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: May 7, 2019

By: /s/ Douglas B. Bingham

Douglas B. Bingham
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

**Certification of Interim 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 March 31, 2019 of Armstrong Flooring, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Larry S. McWilliams, as Interim 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/ Larry S. McWilliams

Larry S. McWilliams
Chairman of the Board and Interim Chief Executive
Officer
(Principal Executive Officer)
May 7, 2019

**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 March 31, 2019 of Armstrong Flooring, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Douglas B. Bingham, as 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 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/ Douglas B. Bingham

Douglas B. Bingham
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)
May 7, 2019