INNOVATE CORP.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

Purpose:

The purpose of the Audit Committee (the "***Committee***") of the Board of Directors (the "***Board***") of INNOVATE Corp., a Delaware corporation (the "***Company***"), shall be to assist the Board in fulfilling its responsibility to oversee management regarding (i) the conduct and integrity of the Company's financial reporting; (ii) the Company's systems of internal accounting and financial and disclosure controls; (iii) the qualifications, engagement, compensation, independence and performance of the Company's independent auditors, their conduct of the annual audit, and their engagement for any other services; (iv) the Company's legal and regulatory compliance; (v) the Company's codes of business conduct and ethics as established by management and the Board; and (vi) the preparation of the audit committee report required by Securities and Exchange Commission ("***SEC***") rules to be included in the Company's annual proxy statement. In addition, the Committee shall provide an open venue of communication between the Company's independent auditor, management and the Board, and discharge the responsibilities presented below.

While the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for preparing or certifying the Company's financial statements, for planning or conducting the audit of such financial statements, or for determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary.

In discharging its oversight role, the Committee is authorized: (i) to investigate any matter that the Committee deems appropriate, with access to all books, records, facilities and personnel of the Company; and (ii) to retain independent counsel, auditors or other experts, with adequate funding provided by the Company.

Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable federal or state law.

Composition:

The Committee shall be comprised of three (3) or more members of the Board as may be permitted under the rules (including any applicable grace period following initial listing of the Company's securities) of the New York Stock Exchange (or such securities exchange on which the Company's securities are listed for trading from time to time, the "***Exchange***"), as determined from time to time by the Board.

Each member of the Committee shall satisfy the independence and other requirements applicable to directors and audit committee members (a) of the Exchange, (b) under Section 10A(m) of the Securities Exchange Act of 1934, as amended, and any related rules and regulations promulgated thereunder by the SEC and (c) that the Board shall in its discretion determine, including that such director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Each member of the Committee shall be financially literate, as determined by the Board in its discretion. At least one member of the Committee shall qualify as an "audit committee financial expert," as defined by the SEC and determined by the Board. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

The members of the Committee shall not simultaneously serve on the audit committees of more than three other public companies.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Governance Committee of the Board, and shall serve for such terms as the Board may determine, or until such member's successor shall have been duly appointed, or until his or her earlier death or resignation or removal from the Board or the Committee. The Board may remove any member from the Committee at any time with or without cause. Unless a Chairman of the Committee is appointed by the Board, the Committee may designate a Chairman of the Committee by majority vote of the Committee.

Responsibilities:

The Committee will have the full power and authority to carry out the following responsibilities:

General Continuous Activities:

1. Appoint, compensate, and oversee the work performed by any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (the "***independent auditors***"). Each such registered public accounting firm must report directly to the Committee. The registered public accounting firm engaged for the purpose of preparing or issuing an audit report for the inclusion in the Company's Annual Report on Form 10-K is referred to herein as the "independent auditor." The Committee shall evaluate the engagement of the independent auditor on an annual basis.

2. Review and pre-approve any audit and permitted non-audit and tax services (including the fees and terms thereof) provided by the independent auditors or other registered public accounting

firms (with pre-approvals disclosed as appropriate in the Company's periodic public filings), and establish policies and procedures for the Committee's pre-approval of permitted services by the independent auditors or other registered public accounting firms on an on-going basis.

3. Determine the appropriate funding of the expenses of the Committee (including compensation to any independent auditor or advisor engaged by the Committee and any ordinary administrative expenses of the Committee) that are incurred in connection with its duties and responsibilities, which expenses will be funded by the Company.

4. Review and report to the Board regarding the performance of the independent auditor and remove the independent auditor if circumstances warrant. The Committee shall oversee the resolution of disagreements between management and the independent auditor in the event that they arise.

5. Confirm and assure the independence of the independent auditor and the objectivity of management. In particular, the Committee shall obtain and review from the independent auditor a formal written statement delineating all relationships between the independent auditor and the Company, and the independent auditor's communications with the Committee concerning independence, consistent with requirements of the Public Company Accounting Oversight Board Rule 3526 and Item 407(d)(3)(i)(C) of Regulation S-K and actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor.

6. Review and assure the coordination of the audit efforts, and the effective use of audit resources.

7. Inquire of management and the independent auditor about significant risks or exposures and assess the steps management has taken to minimize such risks or exposures; discuss with management and the independent auditor, and oversee the Company's underlying policies with respect to risk assessment and risk management.

8. Review and discuss with management and the independent auditors: (i) the adequacy of the Company's internal and disclosure controls and procedures; (ii) any significant deficiencies in the design or operation of the Company's internal controls; (iii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and (iv) related findings and recommendations of the independent auditors together with management's responses.

9. Review and discuss with management, the independent auditors and the internal auditor: (i) any significant findings during the year, including the status of previous audit recommendations; (ii) any audit problems or difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information; (iii) any changes required in the scope of the audit plan; (iv) the audit budget and staffing; (v) the coordination of audit efforts in order to monitor completeness of coverage, reduction of redundant efforts, and the effective use of audit resources; (vi) any significant disagreements between the independent auditors or the internal auditor and management; and (vii) management's response to any such disagreements; and resolve any such disagreements.

10. Meet periodically with the independent auditor, management and the internal auditor (or other personnel responsible for internal audit functions) in separate executive sessions to discuss any

matters the Committee or these parties believe should be discussed privately with the Committee.

11. Review and discuss with management the Company's annual financial statements and quarterly financial statements, in each case including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", and all internal controls reports (or summaries thereof). Review other relevant reports or financial information submitted by the Company to any governmental body, or the public, including management certifications as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 and relevant reports rendered by the independent auditor (or summaries thereof). Discuss with management the independent auditor assessment of the quality of the Company's accounting principles, including critical accounting policies and practices, the reasonableness of significant judgments and estimates (including material changes in estimates), any material audit adjustments proposed by the independent auditor and immaterial adjustments not recorded, the adequacy of the disclosures in the financial statements, critical audit matters and any other matters required to be communicated by the independent auditor under generally accepted auditing standards.

12. Review the regular internal reports (or summaries thereof) to management prepared by the internal auditing department and management's responses.

13. Obtain advice and assistance from outside legal, accounting, or other advisors as deemed appropriate to perform its duties and responsibilities.

14. Review and, in its sole discretion, approve in advance the Company's independent auditor's annual engagement letter, including the proposed fees contained therein, as well as all audit and, as provided in the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder, all permitted non-audit engagements and relationships between the Company and such independent auditor (which approval should be made after receiving input from the Company's management, if desired). Approval of audit and permitted non-audit services will be made by the Committee or by one or more members of the Committee as shall be designated by the chairperson of the Committee and the person[s] granting such approval shall report such approval to the Committee at the next scheduled meeting.

15. Report periodically to the Board on significant results of the foregoing activities.

16. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be general (consisting of discussing the types of information to be disclosed and the types of presentations to be made), and each earnings release or each instance in which the Company provides earnings guidance need not be discussed in advance.

17. Set clear hiring policies for employees or former employees of independent auditors to ensure the independent auditor's independence under SEC rules.

18. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance-sheet structures on the Company's financial statements.

Specific Continuous Activities:

1. Advise financial management and the independent auditor that they are expected to provide a timely analysis of the Company's significant financial reporting issues and practices.

2. Discuss with financial management and the independent auditor their respective qualitative judgments about appropriateness, not just the acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the Financial Accounting Standards Board and, particularly, about the degree of aggressiveness or conservatism of the Company's accounting principles and underlying estimates in light of such used or proposed practices and common practice.

3. Determine, with respect to new transactions or events, the independent auditor's reasoning for the appropriateness of the accounting principles and disclosure practices.

4. Assure that the independent auditor's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure practices adopted with respect thereto.

5. Establish and maintain procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (b) the confidential, anonymous submission by Company employees regarding questionable accounting or auditing matters.

6. Establish, review and update periodically a Code of Business Conduct and Ethics applicable to all directors and employees (the "***Code***") and ensure that the Code is in compliance with all applicable rules and regulations. Establish and implement policies and procedures for the Committee's review of possible violations of the Code, as well as review and approval of any requests for waivers of any provisions of the Code for members of the Board or executive officers. Ensure that management has established a system to enforce compliance with the Code.

7. Ensure that management has the proper review system in place to ensure that the financial statements, reports and other financial information of the Company disseminated to governmental organizations and the public satisfy all applicable legal requirements.

8. Establish and implement policies and procedures for the Committee's review and approval or disapproval of proposed transactions or courses of dealings with respect to which executive officers or directors or members of their immediate families have an interest (including all transactions required to be disclosed by Item 404(a) of Regulation S-K).

9. Review, with the Company's legal counsel, legal compliance matters including the Company's securities trading policies.

10. Review, with the Company's legal counsel, any legal and regulatory matters that could have a significant impact on the Company's financial statements, compliance policies and programs.

11. Discuss with the independent auditor the matters required to be discussed by Public Company Accounting Oversight Board Standard No. 1301, as it may be modified or supplemented, including, without limitation, the auditor's evaluation of the quality of the Company's financial reporting, information relating to significant unusual transactions and the business rationale for

such transactions and the auditor's views regarding significant accounting or auditing matters when the auditor is aware that management consulted with other accountants about such matters and the auditor has identified a concern regarding these matters.

12. The governance of our cybersecurity efforts is overseen by the Audit Committee, which includes individuals with experience in technology and cybersecurity. The Board regularly reviews and guides our cybersecurity policies and practices.

Scheduled Activities:

1. Consider, in consultation with the independent auditor and management, the audit scope and plan of the independent auditor.

2. Review with management and the independent auditor the results of interim reviews of the Company's quarterly, unaudited financial statements, and the accompanying footnotes.

3. Review with management and the independent auditor the results of annual audits and related comments, including:

    - The independent auditor's audit of the Company's annual financial statements, and the accompanying footnotes and its report thereon.

    - Any significant changes required in the independent auditor's audit plans.

    - Any difficulties or disputes with management encountered during the course of the audit.

    - Other matters related to the conduct of the audit which are to be communicated to the Committee under Generally Accepted Auditing Standards.

4. Prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement.

5. Assure that the independent auditor's reasoning is described in accepting or questioning significant estimates by management.

6. At least annually, review a report by the independent auditors describing: (i) the firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditor and the Company (to be set out in the formal written statement described below);

7. Annually review and assess the adequacy of this Charter and, as necessary or appropriate, recommend for the approval of the Board any updates to this Charter.

8. Annually review and assess the performance of the Committee.

"When Necessary" Activities:

1. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

2. Review with the independent auditor, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.

3. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.

4. Perform any other activities consistent with this Charter, the Company's bylaws, as in effect from time to time (the "***Bylaws***"), and governing law, as the Committee or the Board deems necessary or appropriate.

5. Review and approve or ratify all related-party transactions in accordance with the Company's policies and procedures with respect to related party transactions.

Internal Audit:

1. Review and advise on the selection and removal of the officer responsible to oversee the internal audit function, which function may be outsourced (the "***Internal Audit Officer***"), who shall report to the Committee.

2. Review the activities, policies, organizational structure, and qualifications of the internal audit function.

3. Periodically review with the Internal Audit Officer any significant difficulties, disagreements with management or scope restrictions encountered in the course of the internal audit function's work.

4. Periodically review with the independent auditor the budget, staffing, and responsibilities of the internal audit function.

Outside Advisors:

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of any outside counsel and other advisors.

The Committee shall confirm that there is appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to the Company's independent auditors, any other accounting firm engaged to perform services for the Company, any outside counsel and any other advisors to the Committee.

Delegation of Authority:

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

Meetings:

The operation of the Committee will be subject to the Bylaws, Section 141 of the Delaware General Corporation Law, this Charter and such other guidelines as may be adopted by the Board. The Committee shall meet as often as it determines necessary or appropriate to carry out its duties and responsibilities, but in any event the Committee shall hold at least four regular meetings per year. In addition, the Committee shall meet periodically with the internal auditor and the independent auditor in separate executive sessions to provide the opportunity for full and frank discussions. The Chief Executive Officer of the Company may attend any meeting of the Committee, except for portions of the meetings where his, her or their presence would be inappropriate, as determined by the Committee. The Committee may ask the members of management or others to attend meetings and provide information as necessary.

A majority of the members of the Committee present in person or by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum. The act of a majority of the members of the Committee present and voting at any meeting at which a quorum is present shall be the act of the Committee. Meetings of the Committee may be held upon the call of any member of the Committee. Notice thereof stating the place, date and hour of the meeting shall be given to each member either by mail, addressed to such member at his or her last known post office address at least five (5) days before the meeting or by facsimile or other means of electronic transmission, or given personally or by telephone, at least twenty-four (24) hours before the meeting. The meetings of the Committee may be held either within or without the State of Delaware. Notice of such meeting may be waived by a member in the manner provided in Section 2 of Article VII of the Bylaws (or any provision successor thereto), and attendance of a member at a meeting shall constitute a waiver of notice thereof. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in the notice of such meeting.

Minutes:

Minutes of each meeting will be kept and distributed to each member of the Committee, members of the Board who are not members of the Committee and the Secretary of the Company. The Chairman of the Committee will report to the Board from time to time, or whenever so requested by the Board.

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While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.