

**CHARTER**  
**of the**  
**COMPENSATION COMMITTEE**  
**of**  
**KNOWLES CORPORATION**

The Board of Directors (the "**Board**") of Knowles Corporation (the "**Company**") has adopted and approved this Charter, setting forth the purpose, responsibilities, authority and membership requirements of its Compensation Committee (the "**Committee**").

**1. Purpose**

The purpose of the Committee is to discharge the responsibilities set forth below relating to compensation of the Company's directors and officers, succession planning, and the oversight of the Company's retirement plans.

**2. Organization**

The Committee shall be comprised of not less than three (3) members of the Board. Each member of the Committee shall be (a) "independent" and satisfy the additional independence requirements specific to compensation committee membership, as specified from time to time under the New York Stock Exchange (the "**NYSE**") listing standards and any other applicable regulatory standards, (b) a "non-employee director" as that term is defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and any other applicable Securities and Exchange Commission (the "**SEC**") or NYSE regulation, and (c) an "outside director" as that term is defined for the purpose of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and any other applicable law or regulation administered by the Internal Revenue Service. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.

The members and the Chair of the Committee shall be recommended for appointment by the Governance and Nominating Committee and shall be appointed by the Board. Committee members and the Chair serve at the pleasure of the Board.

One-third of the members of the Committee, but not less than two, shall be a quorum to transact business. Each member of the Committee shall have one vote. The Committee shall be authorized to take any permitted action only by the affirmative vote of a majority of the Committee members at any meeting at which a quorum is present, or by the unanimous written consent of all of the Committee members.

The Committee may, in its discretion, form and delegate all or a portion of its authority and responsibilities to a subcommittee of the Committee as it deems appropriate, as permitted by applicable law and the rules of the NYSE and the SEC.

**3. Structure and Meetings**

The Committee shall meet at such times as the Committee shall consider appropriate to fulfill its duties and responsibilities, but no less frequently than annually. The Chair of the

Committee will preside at each meeting and, in consultation with the other members of the Committee, will set the agenda of items to be addressed at each meeting.

Notice of all Committee meetings shall be given, and waiver thereof determined, in accordance with the notice and waiver of notice requirements applicable to the Board. The Committee may meet by telephone, video conference or similar means of remote communication.

#### **4. Authority and Responsibilities Relating to Compensation and Succession Planning**

The Committee shall have the following authority and direct responsibilities with respect to compensation and succession planning:

1. At least annually, review the Company's compensation philosophy.
2. Establish procedures for evaluation of the CEO and senior management; consult with the Governance and Nominating Committee on such procedures.
3. At least annually, review and approve corporate goals and objectives relevant to the compensation of the Company's chief executive officer (the "CEO"), evaluate the CEO's performance in light of those goals and objectives and, together with the other independent directors, determine and approve the CEO's compensation based on this evaluation. The Committee shall consider, among other factors, the Company's performance and relative Total Shareholder Return (TSR), the value of similar awards to CEOs at comparative companies, and awards given to the Company's CEO in prior years.
4. Review and approve the compensation of the non-CEO executive officers. In reviewing and approving such other executive officer's compensation, members of the Committee should take into account (but shall not be bound by) recommendations made by the CEO.
5. Make recommendations to the Board with respect to incentive, equity-based and other compensation plans. Oversee the administration of such plans of the Company which have been, or may in the future be, adopted by the Board and, in connection therewith, approve grants, awards and payouts under such compensation plans.
6. Review periodically, and approve or recommend for Board approval (as required) any changes to, the Company's compensation plans and submission of such plans to shareholders for approval as required by the NYSE.
7. Review and approve the following compensation and benefits relating to the CEO and non-CEO executive officers: (a) employment agreements and severance agreements; (b) change-in-control agreements and provisions; and (c) any special or supplemental compensation and benefits, including retirement benefits and perquisites provided during and/or after employment.

8. Review and discuss with management the Compensation Discussion and Analysis to be included in the Company's annual report or proxy statement. Based on such review and discussion, the Committee shall make a recommendation to the Board as to whether such Compensation Discussion and Analysis shall be included in such annual report or proxy statement. With the assistance of counsel, produce a Compensation Committee Report on executive compensation as required by the SEC to be included in the Company's annual report or proxy statement.
9. Review periodically director compensation and practices, including compensation and expense reimbursement policies for attendance at Board and committee meetings, and recommend to the Board changes in such compensation and practices in accordance with the principles set forth in the Company's Corporate Governance Guidelines.
10. Review the results of any advisory shareholder votes on executive compensation and consider whether to recommend adjustments to the Company's executive compensation policies and practices as a result of such votes. Review and make recommendations to the Board on the Company's compensation-related shareholder proposals.
11. Review the Company's compensation programs and assess whether risks arising from such programs are reasonably likely to have a material adverse effect on the Company.
12. Develop and direct implementation of policies, if any, with respect to the recovery or "clawback" of any excess compensation paid to any of the Company's executive officers based on erroneous data.
13. With the assistance of the Chief Executive Officer and the other members of the Board, work to identify, evaluate and recommend to the Board potential successors to the Chief Executive Officer. The Committee shall report annually to the Board on succession planning. The Chair of the Compensation Committee shall notify the Chairman of the Board and the Chair of the Governance and Nominating Committee in advance of any meeting at which CEO succession will be discussed and invite their presence and participation in such discussions.

The Committee may perform any other activities consistent with this Charter, the Company's By-Laws, the Corporate Governance Guidelines, governing law and the rules and regulations of the NYSE as the Committee or the Board deems appropriate.

## **5. Reports to the Board; Performance Evaluation**

The Committee shall report its actions and recommendations periodically to the Board at regularly scheduled Board meetings and shall conduct and present to the Board an annual performance evaluation of the Committee.

The Committee shall review and reassess at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

## **6. Committee Resources**

The Committee shall have the authority, in its sole discretion, to retain or obtain the advice of a compensation consultant, legal counsel or other adviser (a “Committee Adviser”) as it deems appropriate to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall be directly responsible for appointing, compensating and overseeing the work of any Committee Adviser retained by the Committee and shall receive appropriate funding from the Company, as determined by the Committee, for payment of reasonable compensation to such Committee Adviser. To the extent required by NYSE rules, the Committee shall assess the independence of any Committee Adviser taking into account all factors relevant to such Committee Adviser’s independence from management of the Company, including the factors specified by applicable NYSE listing standards. The Committee shall also have authority to obtain advice and assistance from any officer or employee of the Company and shall have full, unrestricted access to Company records.

## **7. Disclosure of Charter**

This Charter will be made available on the Company's website at [www.knowles.com](http://www.knowles.com).

*As amended by the Board of Directors on November 4, 2014.*