

**CHARTER OF THE AUDIT 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 Audit Committee (the "**Committee**").

**1. Purpose**

The primary purpose of the Committee is to assist the Board in overseeing (a) the integrity of the financial statements provided by the Company to the shareholders of the Company and the public; (b) the Company's compliance with legal and regulatory requirements including all legal and regulatory requirements relating to the use of derivatives in the Company's hedging activities; (c) the qualifications, independence, and performance of the Company's independent auditors; (d) the performance of the Company's internal audit function; and, (e) the supervision of the Company's safeguard and control of its assets .

**2. Organization**

The Committee shall be comprised of not less than three (3) members of the Board. Each member of the Committee shall satisfy the "independence" requirements of (i) Section 10A of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), (ii) the rules of the Securities and Exchange Commission (the "**SEC**") adopted pursuant to such Section 10A, including Rule 10A-3(b)(1), (iii) New York Stock Exchange (the "**NYSE**"), and (iv) any other applicable regulatory requirements. Each member of the Committee must meet the financial literacy requirements of the rules of the NYSE, and at least one member of the Committee shall qualify as an "audit committee financial expert" in accordance with the rules of the SEC. No member shall simultaneously serve on the audit committees of more than two other public companies unless the Board has determined that such service will not impair the ability of that member to effectively serve on the Committee. 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.

### **3. Structure and Meetings**

The Committee shall meet at such times as the Committee shall consider appropriate to fulfill its duties and responsibilities, but not less frequently than on a quarterly basis.

Unless delegated to another member of the Committee, 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. Responsibilities**

In furtherance of its purpose, the Committee shall have the following responsibilities:

#### **A. Responsibilities Relating to Financial Reports**

##### **1. Scope of Audit**

The Committee shall review at least annually with management and the independent auditors the scope and general extent of the independent auditors' examination.

##### **2. Annual Financial Statements**

The Committee shall meet to review and discuss with management and the independent auditors the audited financial statements to be included in the Company's Annual Report to Shareholders and Annual Report on Form 10-K and the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee shall make a recommendation to the Board as to whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.

##### **3. Quarterly Financial Statements**

The Committee shall meet to review and discuss with management and the independent auditors, prior to the filing of each Quarterly Report on Form 10-Q, the Company's interim financial results to be included in such quarterly reports and the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

#### 4. Accounting Principles

From time to time, the Committee shall review and discuss, with management and/or the independent auditors: (a) significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements; (b) major issues regarding accounting principles and financial statement presentation, including any significant changes to the Company's selection or application of accounting principles; (c) the effect on the Company's financial statements of regulatory and accounting initiatives and any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities; and (d) the effect on the Company's financial statements of significant regulatory and accounting initiatives relating to derivative transactions utilized for hedging activities and any material derivative transactions executed by the Company.

#### B. Responsibilities Relating to Independent Auditors

##### 1. Discussions with Auditors on Independence

The Committee shall, at least annually: obtain and review a written report from the independent auditors describing all relationships between the independent auditors and the Company; and discuss with the independent auditors any such disclosed relationships and their impact on the independent auditors' objectivity and independence; and consider whether the provision of non-audit services by the independent auditors is compatible with maintaining the independent auditors' independence.

##### 2. Report on Auditor Qualifications

The Committee shall, at least annually, obtain and review a written report from the independent auditors describing: (a) the auditing firm's internal quality control procedures, and (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting any independent audit carried out by the independent auditors, and any steps taken to deal with any such issues.

##### 3. Other Auditor Reports

The Committee shall review any reports provided by the independent auditors to the Committee as required under the Exchange Act with regard to: (a) critical accounting policies and practices used by the Company; (b) alternative treatments of financial information within GAAP for policies and practices related to material items that have been discussed with management (including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors); and (c) other material written communications

between the independent auditors and management, such as any "management" or "internal control" letter, or schedule of unadjusted differences.

4. Audit Issues

The Committee shall regularly review with the independent auditors and management any problems or difficulties the auditors may have encountered in the course of their audit work, and management's response thereto, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

5. Lead Audit Partner; Rotation

The Committee shall discuss with management the timing and process for implementing the rotation of the lead audit partner, the concurring partner, and any other active audit engagement team partner. The Committee shall receive confirmations from the Company's independent auditors that such firm has complied with any applicable rotation requirements for the lead audit partner and any other active audit engagement team partner. The Committee may periodically consider whether the Company should regularly rotate its auditing firm.

6. Hiring Employees of Auditors

The Committee shall establish policies for hiring current or former partners, principals, shareholders or employees of the independent auditors in accordance with applicable law.

C. Responsibilities Relating to Internal Audit Function, Internal Controls and Insured Risk Management

1. Internal Audit Function

The Committee shall have principal responsibility to assist with the Board's oversight of the Company's internal audit function, including review of the performance of the internal audit function in providing management and the Committee with ongoing assessments of the Company's risk management processes and system of internal controls. This responsibility shall include the supervision of the Company's use of derivative instruments in its hedging activities, the monitoring of the Company's compliance with its Financial Risk Management and Derivatives Policy (the "Derivatives Policy"), and the performance of the Committee's duties set out in the Derivatives Policy. The Committee shall, from time to time, discuss with management, the independent auditors, and the person(s) primarily responsible for the internal audit function the responsibilities, budget and staffing of the internal audit function and the planned scope of the internal audit.

2. Internal Controls

The Committee shall receive a quarterly report from management describing all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud whether or not material involving management or other employees who have a significant role in the Company's internal controls.

3. Executive Sessions

The Committee shall meet periodically with management, the person(s) primarily responsible for the internal audit function, and the independent auditors in separate executive sessions to discuss any major issues as to the quality and adequacy of the Company's internal controls, any special audit steps adopted in light of any material control deficiencies, and any other matters that the Committee or any of these groups believes should be discussed privately.

4. Internal Controls Report

The Committee shall review and discuss with management, the person(s) primarily responsible for the internal audit function, and the independent auditors, the Company's internal controls report and the independent auditors' assessment of the report prior to the filing of the Company's Annual Report on Form 10-K.

5. Insurance and Risk Management Oversight

The Committee shall annually review the Company's insurance program relating to significant financial risk exposures and the Company's program to identify, assess, manage and monitor significant enterprise risks.

D. Other Activities

1. Proxy Statement Report

With the assistance of counsel, the Committee shall prepare the report of the Committee required by the rules of the SEC to be included in the Company's annual report or proxy statement.

2. Earnings Releases; Guidance to Analysts

The Committee shall, review the Company's earnings press releases (including the type and presentation of information with particular attention to any use of "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance, if any, provided to analysts and rating agencies.

3. Cyber Security

The Committee shall periodically, not less than annually, review the Company's cyber security and other information technology risks, controls and procedures, including review of the cyber threat landscape facing the Company, the Company's strategy to mitigate cyber security risks, the adequacy of resources, funding and focus for cyber security activities and the metrics used to measure, monitor and manage cyber risks posed to the Company. The Committee shall periodically consult with the full Board regarding the Company's IT systems, resources and processes, including but not limited to those relating to cyber security.

4. Code of Ethics

The Committee shall develop and recommend to the Board a Code of Ethics for the Chief Executive Officer and Senior Financial Officers. The Committee shall review this code annually, or more frequently if appropriate, and recommend to the Board any changes deemed appropriate.

5. Financial Expertise

The Committee shall make appropriate determinations and recommendations to the Board regarding the financial literacy and expertise of the members of the Committee.

6. Legal Matters

The Committee shall review periodically with the Company's General Counsel, legal matters that may have a material impact on the financial statements, the Company's compliance policies, and any material reports or inquiries received from regulators or governmental agencies. The Committee shall also provide annual approval of the Company's implementation of the Dodd-Frank Corporate End User Exemption (17 C.F.R. 39 et. seq.) as promulgated by the Commodity Futures Trading Commission or any successor regulation.

7. Complaint Procedures

The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters or the violation of the **Derivatives Policy**.

8. Suspected Fraud

The Committee shall establish a policy and procedures applicable to the Company and its business units for the reporting and investigation of suspected fraud, and shall oversee such investigations of alleged fraud as it deems appropriate in accordance with such policy and procedures.

9. Reports to the Board

The Committee shall report regularly to the Board and shall review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditors, the performance of the internal audit function, any material developments relating to the Company's use of derivative instruments in its hedging activities, any proposed amendments to the Company's Financial Risk Management and Derivatives Policy, or recommending any amendments to the Derivatives Policy which requires the Board's prior approval as set forth in the Derivatives Policy.

10. Review of Charter and Committee Performance

The Committee shall review and assess the adequacy of this Charter and the Committee's performance on an annual basis and recommend to the Board any changes deemed appropriate.

11. Other Activities

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 necessary or appropriate.

**5. Authority and Resources**

A. Access

The Committee shall have full and unrestricted access to all books, records, facilities, and personnel of the Company as required or appropriate in the Committee's sole discretion to properly discharge its responsibilities. The Committee is empowered to investigate any matter relating to its responsibilities which is brought to its attention.

B. Authority Concerning Auditors

The Committee shall have the sole authority to, and shall, directly appoint, retain, set the terms of engagement of, evaluate, terminate, oversee, and cause the Company to compensate the Company's independent auditors engaged for the purpose of preparing or issuing an audit report and a report on assessment of internal controls or performing other audit, audit-related,

review or attest services for the Company (including resolution of disagreements between management and the independent auditors regarding financial reporting). The independent auditors shall report directly to the Committee.

C. Pre-Approval of Non-Audit and Audit-Related Services

The Committee shall have sole authority to pre-approve all engagements for non-audit and audit-related services permitted under the Exchange Act to be performed for the Company by the independent auditors. The Committee may pre-approve non-audit and audit-related services pursuant to pre-approval policies and procedures adopted by the Committee. The Committee delegates to its Chair the authority to grant such pre-approvals, provided that any preapproval must be presented to the full Committee at its next scheduled meeting.

D. Advisors

The Committee has the authority to retain independent legal, accounting, and other advisors to advise the Committee as the Committee shall deem appropriate in the discharge of its responsibilities.

E. Funding

The Committee has the authority to determine the appropriate amount of, and require the Company to pay, compensation to the independent auditors for services rendered to the Company, compensation to any independent legal, accounting, and other advisors retained to advise the Committee, and any administrative expenses that are necessary or appropriate in the Committee's sole discretion in the carrying out of the Committee's duties.

## 6. **Limitations of Committee's Role**

The Committee's job is one of oversight and it recognizes that the Company's management is responsible for preparing the Company's financial statements and for establishing, maintaining, and assessing the Company's internal controls and disclosure controls, and that the independent auditors are responsible for auditing those financial statements and assessing those internal controls. The Company's financial management, as well as the Company's independent auditors, have more time, knowledge and detailed information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditors' work.

In carrying out its responsibilities, the Committee and its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances and, accordingly, the Committee may diverge from the foregoing functions as appropriate given the circumstances. Notwithstanding the foregoing, the Committee may not diverge from the responsibilities which are established for it under the Company's Financial Risk Management and Derivatives Policy nor may it waive or amend the Derivatives Policy except to the extent set forth therein.

#### **7. Delegation**

The Committee may, in its discretion, form and delegate all or a portion of its authority and responsibilities to subcommittees (which may consist of any one or more members, including the Chair) of the Committee when appropriate, as permitted by this Charter, the Exchange Act, the rules of the SEC and NYSE and other applicable law.

#### **8. 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 October 30, 2018.*