



SENSATA TECHNOLOGIES HOLDING PLC

Charter of the Audit Committee of the Board of Directors

Effective as of July 12, 2018

The Board of Directors (the “**Board**”) of Sensata Technologies Holding plc (the “**Company**”) has approved and adopted this Charter of the Audit Committee of the Board (the “**Committee**”) effective as of the date set forth above.

I. Purpose

- A. **Primary Oversight Purpose.** The primary purpose of the Committee is to provide assistance to the Board in fulfilling its oversight responsibilities relating to: (i) the quality and integrity of the Company’s financial statements and its accounting and financial reporting process; (ii) the Company’s systems of internal accounting and financial controls; (iii) the performance of the Company’s internal audit function; (iv) the engagement of the Company’s independent registered public accounting firm(s) pursuant to the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and the rules of the New York Stock Exchange (the “**NYSE**”), and its qualifications, independence and performance; (v) subject to the provisions of the U.K. Companies Act 2016 (the “**Companies Act**”), the appointment and performance of the U.K statutory auditor as required under the Companies Act; and (vi) the Company’s compliance and risks associated with legal and regulatory requirements and ethics programs established by management and the Board.
- B. **Audit Committee Report.** The Committee shall prepare the Audit Committee report required by the Securities and Exchange Commission (the “**SEC**”) to be included in the Company’s annual proxy statement or as otherwise required by applicable laws or regulations.
- C. **Auditor.** For purposes of this Charter, the Committee and the Board understand that the entity engaged to perform the function of independent auditor may be the same entity as, or an affiliated entity of, the entity engaged to perform the function of U.K. statutory auditor. The independent auditor and the U.K. statutory auditor shall be collectively referred to herein as the “**auditor**”.

II. Composition and Qualifications

- A. **Committee Member Independence Requirements.** The Committee shall consist of at least three members of the Board. As determined by the business judgment of the Board, each member of the Committee shall meet the independence requirements of: (i) the NYSE; (ii) Section 10A(m)(3) of the Exchange Act; and (iii) the rules and regulations of the SEC, including Rule 10A-3 promulgated under the Exchange Act.
- B. **Committee Member Financial Literacy Qualifications.** As determined by the business judgment of the Board: (i) each member of the Committee shall satisfy the financial literacy requirements of the NYSE or must become financially literate within a reasonable period of time after appointment to the Committee; and (ii) at least one member of the Committee shall have accounting or related financial management expertise and shall be deemed an “audit committee financial expert” in accordance with the rules and regulations of the SEC.

- C. **Limited Audit Committee Service.** No member of the Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board determines that such concurrent service would not impair the ability of such member to effectively serve on the Committee and discloses such determination in the Company's annual proxy statement or annual report on Form 10-K.
- D. **Appointment.** Committee members shall be appointed by the Board (upon the recommendation of the Nominating and Corporate Governance Committee), and shall hold his or her office until such time as his or her successor is duly appointed and qualified, or until his or her earlier death, disqualification, resignation or removal.
- E. **Chairperson.** The Board shall designate one of the members as Chairperson of the Committee. The Chairperson will supervise the conduct of all meetings and establish the meeting agendas with input from management.

III. Authority, Delegation and Resources

- A. **Authority to Engage Third Parties.** In discharging its oversight role, the Committee has the authority and is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee may, in its sole discretion, engage any consultant, legal counsel or other advisors (collectively, "**Advisors**") as it deems necessary or appropriate to carry out its duties. The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any Advisor retained by the Committee.
- B. **Delegation to Subcommittees.** To the extent permitted by applicable law and the listing standards of the NYSE, the Committee may establish subcommittees consisting of one or more members, other directors and management to carry out such duties as the Committee may delegate, including duties specified in this Charter.
- C. **Access to and Funding of Resources.** The Committee shall be given full access to the Company's internal auditors (or other personnel or service providers responsible for the internal audit function), the Board, corporate executives, employees and the Independent Registered Public Accounting Firm as necessary to carry out these responsibilities. The Committee, in its discretion, may request any officer or employee of the Company, or the Company's outside counsel or independent auditor, to attend a meeting of the Committee or to meet with any members of, or Advisors to, the Committee and to provide pertinent information as necessary. The Company shall provide appropriate funding, as determined by the Committee, for payment of the (i) compensation to the independent auditor in accordance with the requirements of applicable law, the SEC, the Exchange Act and the NYSE; (ii) compensation to any Advisor retained by the Committee; and (iii) ordinary administrative expenses of the Committee.

IV. Responsibilities

The following functions are expected to be the common recurring activities of the Committee in carrying out its responsibilities. These functions serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee also shall carry out any other responsibilities and duties delegated to it by the Board from time to time.

- A. **Oversight of the Company's Relationship with the Auditor.**
 - 1. **Engagement and Oversight of Independent Auditor.** The Committee shall, in accordance with the requirements of the Exchange Act and the rules of the SEC and NYSE, be directly responsible for the appointment, compensation, retention, oversight of the work, replacement of or rotation of the independent auditor (including the resolution of

disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing audit reports or performing other audit, review or attestation services for the Company. Such independent auditor shall report directly to the Committee on the terms set forth in this Charter. The Committee shall have a clear understanding with management and the independent auditor that the independent auditor is ultimately accountable to the Board and the Committee, as representatives of the Company's shareholders.

2. Recommendation of the U.K. Statutory Auditor. The Committee shall recommend the appointment of, and, subject to appropriate delegation from the Company's shareholders, remuneration of, the Company's U.K. statutory auditor as required under applicable UK law, and such recommendation shall be submitted to the Company's shareholders for approval at each of the Company's annual general meeting of shareholders. The U.K. statutory auditor shall report directly to the Committee, and the Committee shall oversee the U.K. statutory auditor on the terms set forth in this Charter.
3. Pre-Approval of Audit and Non-Audit Services. The Committee shall pre-approve all audit and non-audit services to be provided to the Company by the auditor, subject to any exceptions provided in the Exchange Act. The Committee may delegate to one or more of its members the authority to grant such preapprovals, provided that any such decision of such member or members shall be presented to the full Committee at its next scheduled meeting.
4. Annual Report on Independence and Quality Control of the Auditor. The Committee shall, at least annually, obtain, review and evaluate a report by the auditor describing: (i) the auditors' 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, respecting 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 auditor and the Company (to assess the auditor's independence), as well as all relationships between the auditor and the Company's subsidiaries, affiliates and other related entities.
5. Evaluation of the Auditor. After reviewing the foregoing report and the performance of the auditor throughout the year, the Committee shall evaluate the auditor's qualifications, performance and independence, including a review and evaluation of the lead partner assigned to the Company's audit and ensure the rotation of the lead audit partner as required by law. In making its evaluation, the Committee should take into account the opinions of management and the Company's internal auditors (or the personnel responsible for the internal audit function).
6. Employment of Current or Former Audit Staff. The Committee shall establish and review periodically hiring policies for employees or former employees of the auditor, and ensure that such policies meet SEC and NYSE rules and regulations.

B. *Oversight of Audit, Financial Statements and Disclosure Matters.*

1. Discussion Prior to the Audit. Prior to the audit, the Committee shall review and discuss with the auditor and, as applicable, management of the Company: (i) the auditor's responsibilities under generally accepted accounting principles ("GAAP") and applicable law and the responsibilities of management in the audit process; (ii) the overall audit strategy; (iii) the planning and staffing of the audit; (iv) the scope, timing and costs of the prospective audit; (v) the audit procedures to be used; and (vi) such other matters pertaining to the audit as the Committee may deem appropriate.

2. Discussion During the Audit. The Committee shall review with the auditor (i) any significant accounting adjustments that were noted or proposed by the auditor; (ii) any significant communications between the audit team and the audit firm’s national office respecting auditing or accounting issues presented by the engagement; and (iii) any “management” or “internal control” letter issued, or proposed to be issued, by the auditor.
3. Internal Audit Discussion. The Committee shall discuss with the internal auditors (or other personnel responsible for the internal audit function) and the auditor the overall scope and plans for the internal audits, including the adequacy of staffing and budget.
4. Review of Certain Matters with the Auditor and Management. The Committee shall review with the auditor and management any audit problems or difficulties and management’s response, including any restrictions on the scope of the auditor’s activities or on access to requested information, and any significant disagreements with management. The Committee also shall oversee the resolution of disagreements between management and the auditor regarding financial reporting. The Committee or its Chairperson may serve as the principal contact for the independent auditor if the auditor discovers any irregularities in the content of financial reporting.
5. Internal Controls Discussion. The Committee shall discuss with management, the internal auditors (or other personnel responsible for the internal audit function) and the auditor, the adequacy and effectiveness of the accounting and financial controls, including the Company’s policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs. The Committee shall review management’s assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the auditor’s report on management’s assertion (if the preparation of such report is required by applicable law).
6. Financial Reporting Oversight. The Committee shall review and discuss with management and the auditor the Company’s annual audited financial statements, including the stand-alone parent company accounts and the consolidated accounts of the Company required under the Companies Act, and quarterly financial statements. The Committee shall also review the Company’s specific disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and provisions and disclosures required pursuant to the Companies Act. The Committee shall discuss with the auditor: (i) all critical accounting policies and practices used in the audit; (ii) all alternative treatments of financial information within GAAP or other accounting standards that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the auditor; and (iii) other material written communications between the auditors and management, such as any management letter or schedule of unadjusted differences. This review should include a discussion of the judgments of management and the auditor about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. As part of this review and discussion, the Committee shall consider the results of the annual audit and any other matters required to be communicated to the Committee by the auditor under auditing standards generally accepted in the United States and pursuant to the Companies Act. Based on this review, the Committee shall recommend to the Board that the audited financial statements be included in the Company’s Annual Report on Form 10-K as required by SEC and NYSE rules, and that the audited financial statements and related reports, be included in the Company’s UK compliant annual report and accounts, which is required under the Companies Act to be (i) distributed to shareholders of the Company; (ii) laid before the shareholders of the Company at the annual general meeting of the Company; and (iii) filed with the Registrar of Companies in England and Wales.

7. Review of Specific Financial Matters. The Committee shall review with the auditor, management and internal auditors (or other personnel responsible for the internal audit function), as appropriate: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy and effectiveness of the Company's internal controls, any special audit steps adopted in light of material control deficiencies and any fraud or wrongdoing involving management or other employees with a significant role in internal controls; (ii) analyses prepared by management and/or the auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods or accounting standards on financial statements; and (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of the Company.
8. Hedging Policies. The Committee shall review and approve policies on hedging and the use of derivatives, including policies on the use of exemptions to clearing and trade execution requirements.
9. Earnings Disclosures. The Committee shall discuss the types of information to be disclosed and types of presentations to be made in earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, including the use of any pro forma or adjusted non-GAAP information. The Committee need not discuss in advance each release or each instance of guidance.
10. Material Litigation and Contingencies. The Committee shall review material pending legal proceedings involving the Company and any other contingent liabilities.

C. ***Compliance, Risk Oversight and Other Responsibilities.***

1. Whistleblowing Procedures. The Committee shall establish and review periodically with management and the internal auditors (or other personnel responsible for the internal audit function) procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Committee shall review periodically with management, internal auditors (or other personnel responsible for the internal audit function) and the auditor any significant complaints received.
2. Oversight of Compliance and Regulatory Matters. The Committee shall have general oversight responsibility for the Company's legal, regulatory and ethics compliance policies and programs. The Committee shall periodically review the adequacy and appropriateness of the Company's compliance policies and programs, and shall periodically review the activities of the Company's corporate compliance function. The Committee shall periodically review with management any material correspondence with, or other action by, regulators or governmental agencies. The Committee also shall periodically review with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
3. Risk Oversight. The Committee shall periodically discuss guidelines and policies with respect to risk assessment and risk management. The Committee shall periodically discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

4. Cybersecurity Oversight. The Committee shall oversee and from time to time review the Company's cybersecurity and other information technology risks, controls and procedures, including any material cybersecurity incidents and the Company's plans to mitigate cybersecurity risks and respond to data breaches. The Committee also shall review any cybersecurity disclosures set forth in the Company's SEC filings and review with management any specific cybersecurity issues that could affect the adequacy of the Company's internal controls.
5. Audit Committee Report. The Committee shall provide the Company with the report of the Committee with respect to the audited financial statements (the "**Audit Committee Report**") and shall also recommend that the Audit Committee Report be included in the proxy statement of the Company sent to shareholders prior to each annual general meeting of the shareholders of the Company.
6. Related-Person Transactions. Pursuant to the Company's Related-Person Transactions Policy, review and approve (or ratify) all related-person transactions and potential conflicts of interest that are required to be disclosed in the Company's annual proxy statement or are otherwise presented to the Committee for review, approval and/or ratification.
7. Charter Review. The Committee shall review this Charter, at least annually, and recommend any changes to the Nominating & Corporate Governance Committee and the Board.
8. Committee Evaluation. The Committee shall perform an annual review of its performance, including a review of compliance with this Charter. The Committee shall conduct such evaluation and review in such manner as it deems appropriate and report the results of the evaluation to the Board.

V. **Limitation of Committee's Role**

- A. **Limited Responsibility.** The Committee's responsibilities are limited to oversight. While the Committee has the responsibilities and powers set forth in this Charter, it is recognized that members of the Committee are not employees of the Company. Management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements. Management also is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The auditor is responsible for planning and carrying out a proper audit and reviews, including reviews of the Company's financial statements prior to filing with the SEC and the Registrar of Companies in England and Wales, and other procedures.
- B. **Reliance on Accuracy of Information.** Each member of the Committee shall be entitled to rely, to the maximum extent permitted under applicable law, 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 by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board). Such information shall include, but is not limited to, the certifications of the Chief Executive Officer and Chief Financial Officer required by the SEC and the NYSE as well as the reports to the Committee on the due diligence processes which support said certifications.

VI. **Procedural Matters**

- A. **Conflicts with Articles of Association.** This Charter will in no way alter, amend or repeal any provision of the Company's Articles of Association, as may be amended from time to time (the

“*Articles*”). To the extent that this Charter conflicts with any provision of the Company’s Articles, the Articles shall govern.

- B. ***Meetings.*** The Committee shall meet at the call of its Chairperson, two or more members of the Committee or the Chairman of the Board but no less frequently than quarterly. Meetings may, at the discretion of the Committee, include members of the Company’s management, Advisors and such other persons as the Committee or its Chairperson may determine. The Committee shall meet periodically with management, internal audit and the independent auditors in separate executive sessions. The Committee may request any officer or employee of the Company or the Company’s outside counsel to attend a meeting of the Committee or to meet with any members of, or Advisors to, the Committee. The Committee may meet in person, by telephone conference call or in any other manner in which the Board or the Committee is permitted to meet under law and the Company’s Articles. The Committee also may act by unanimous written consent in lieu of a meeting.
- C. ***Transaction of Business.*** A majority of the members of the Committee shall constitute a quorum for the transaction of business. A majority of the members of the Committee present at any meeting at which a quorum is present are competent to act. Except as expressly provided in this Charter or in the Company’s Articles or Corporate Governance Guidelines, the Committee may determine additional rules and procedures to govern it or any of its subcommittees, including designation at any meeting of a chairperson pro tempore in the absence of the Chairperson and of a secretary (who need not be a member of the Committee) for that meeting.
- D. ***Minutes; Reports to the Board.*** The Committee shall keep minutes of all meetings and of all actions taken by the Committee and file such minutes with the Secretary of the Company. The Committee, either directly or through its Chairperson, shall provide the Board with regular reports, orally or in writing, on its activities and any recommendations by the Committee to the Board.

Approved by the Audit Committee – July 12, 2018

Approved by the Board of Directors – July 12, 2018

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While the Committee members 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 the Committee members, except to the extent otherwise provided under applicable law.