



PHINIA Inc.
Board of Directors
Audit Committee Charter

Purpose

The **PHINIA** Inc. Audit Committee is appointed by the Board of Directors of **PHINIA** Inc. (“**Board**”) to assist the Board in monitoring (A) (i) the internal control over financial reporting of the Company, (ii) the Independent Auditor’s qualifications, independence, and performance, (iii) the performance of the Company’s internal audit function (“**Internal Audit**”), (iv) the compliance by the Company with legal and regulatory requirements, and (v) the Board’s oversight of the Company’s risk management, whistleblower and ethics programs, and (B) the required related reporting in specific regulatory filings.

The Company’s management is responsible for preparing the Company’s financial statements and the Independent Auditors are responsible for auditing those financial statements. The Committee is responsible for overseeing the conduct of those activities by the Company’s management and the Independent Auditors.

Membership

The Committee shall consist of at least three (3) Directors who are free of any relationship that, in the opinion of the Board of Directors, would interfere with their individual exercise of independent judgment as a Committee member and who meet the independence and experience requirements of the New York Stock Exchange and applicable regulations of the Securities and Exchange Commission (the “**Commission**”). All members of the Committee shall be generally knowledgeable in financial and auditing matters and at least one member of the Committee shall be “an audit committee financial expert” as defined by the Commission. Committee members shall not simultaneously serve on the audit committees of more than two other public companies. The Board may remove any member from the Committee at any time.

Responsibilities and Duties

The Committee will:

1. Be directly responsible for the selection of, and compensation and oversight of the work of, the Independent Auditor (including resolution of disagreements between management and the Independent Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Independent Auditor shall report directly to the Committee.
2. Preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its

Independent Auditor, subject to a Pre-Approval Policy adopted by the Committee.

3. Discuss and consider the independence of the Independent Auditors, including the auditors' letter required by applicable requirements of the Public Company Accounting Oversight Board regarding their communications concerning such independence.
4. Discuss and review with the Independent Auditors and financial management of the Company the proposed scope of the audit for the current year and the nature and thoroughness of the audit process; and at the conclusion thereof, receive and review audit reports including any comments or recommendations of the Independent Auditors.
5. Review with the Independent Auditor any audit problems or difficulties and management's response to such issues.
6. Adopt hiring policies for employees or former employees of the Independent Auditor who participated in any capacity in the audit of the Company.
7. Review with the Independent Auditors, Internal Auditors, and the Company's financial and accounting management the adequacy and effectiveness of the Company's internal auditing, accounting and financial policies, procedures, and controls; and elicit any recommendations for the improvement of existing internal control procedures or the establishment of controls or procedures. Particular emphasis should be given to the adequacy of the internal controls to expose payments, transactions or procedures that might be deemed illegal or otherwise improper.
8. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit, the audit partner responsible for reviewing the audit, and any other partners or other professionals as required by law.
9. Obtain and review a report from the Independent Auditor at least annually regarding (a) the Independent Auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or 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, (c) any steps taken to deal with any such issues, and (d) all relationships between the Independent Auditor and the Company. Evaluate the qualifications, performance, and independence of the Independent Auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and Internal Auditors. The Committee shall present its conclusions with respect to the Independent Auditor to the Board.

10. Review and discuss recurring financial statements (including quarterly reports and disclosures made in management's discussion and analysis) to be issued to the stockholders or the public with management and the Independent Auditor and recommend to the Board the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K.
11. Review and discuss with the Independent Auditor and management:
 - a) All critical accounting policies and practices (including accounting estimates) to be used by the Company, including all major issues regarding accounting principles and financial statement presentations, and any significant changes in the Company's selection or application of accounting principles.
 - b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditor.
 - c) Annually the effect of new legal, regulatory, and accounting initiatives on the Company's financial statements.
 - d) Annually the effect of off-balance sheet arrangements, if any, on the Company's financial statements
 - e) Any critical audit matter (CAM) addressed in the audit of the Company's financial statements and the relevant financial statement accounts and disclosures that relate to each CAM.
 - f) All matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the Securities and Exchange Commission, including, but not limited to, review of the external audit plan and revisions thereto.
 - g) Other material written communication between the Independent Auditor and management, such as any management letter or schedule of unadjusted differences.
12. Discuss with management the Company's earnings press releases, including the use of "proforma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to the investing public, analysts, and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made).

13. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a role in the Company's internal controls.
14. Review and assess the annual internal audit plan, the process used to develop the plan and the status of activities, significant findings, recommendations, and management's response. Provide oversight of Internal Audit, including by reviewing and discussing with management reports and other communications prepared by Internal Audit.
15. Oversee Internal Audit's structure, objectivity, responsibilities, staffing, resources, and budget. Discuss with the Independent Auditor the Independent Auditor's judgement about the competence, performance and cooperation of Internal Audit and management and Internal Audit's responsibilities, budget, and staffing. Review and approve (i) the appointment and, if applicable, replacement of the head of Internal Audit, (ii) the Internal Audit budgets, and (iii) the annual performance of the head of Internal Audit
16. Investigate any matter brought to its attention within the scope of its duties and retain outside counsel or other experts or advisors for this or any other purpose if, in its judgment, such retention is appropriate. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the Independent Auditor for the purpose of rendering or issuing an audit report and to any counsel, experts or advisors employed by the Committee and for other expenses necessary or appropriate in carrying out its duties.
17. Report Committee activities to the full Board and annually issue a summary report (including appropriate oversight conclusions) suitable for submission to stockholders.
18. Establish and monitor 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. Review a summary of complaints, significant complaints, and all complaints regarding accounting matters.
19. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies. Review at least annually the Company's compliance with legal and regulatory requirements.



20. Review and discuss with management the Company's policies with respect to risk assessment and risk management, including as it relates to cybersecurity, the Company's major litigation and financial risk exposures and the steps management has taken to monitor and control such exposures.
21. Provide oversight of the quality and integrity of the accounting, auditing, financial reporting, and risk management practices of the Company, including assessing the Company's compliance with environmental, social, and governance (ESG) related financial statement and Form 10-K disclosure requirements.
22. Evaluate any requests for a waiver of the application of the Company's Code of Ethical Conduct or Code of Ethics for CEO and Senior Financial Officers for a director or Chief Executive Officer, Chief Financial Officer, Treasurer or Controller and report its findings and recommendations to the full Board.

Committee Meetings

The Committee shall meet as often as it determines necessary, but not less frequently than quarterly. The Committee shall meet periodically with management, the Internal Auditors, and the Independent Auditor in separate executive sessions. These meetings shall include the Independent Auditors' evaluation of the Company's financial, accounting and auditing personnel and an assessment of the cooperation the Independent Auditors received during the review. The Committee 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 consultants to, the Committee.

Minutes of Committee meetings and actions taken without a meeting shall be kept in accordance with the Company's bylaws.

Committee Authority

The Committee shall establish and maintain free and open communication between the Directors, the Independent Auditors, the Internal Auditors, and the management of the Company. The Committee may, in its sole discretion, retain or obtain the advice of independent legal counsel or other advisers to assist in the performance of its responsibilities hereunder. The Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any independent legal counsel or other advisers retained by the Committee. The Company will provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any independent legal counsel or any other advisers retained by the Committee, as well as ordinary administrative expenses that are necessary or appropriate to the Committee in carrying out its duties.



Committee Procedures

The Chair of the Committee shall establish such rules for the Committee and its members as may from time to time be necessary and proper for the conduct of the Committee's business in conformity with applicable laws, rules, and regulations. The Committee shall have full, unrestricted access to Company books, records, facilities, and personnel.

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee shall be presented to the full Committee at its next scheduled meeting.

The Committee's charter, policies and procedures will be reassessed at least annually to allow reaction to changing conditions and environment and to assure that the Company's accounting and reporting practices are in accordance with all requirements and are of the highest quality. The Committee may amend or repeal its policies and procedures, and may request the Board to amend its charter, as the Committee deems appropriate. The Corporate Governance Committee oversees the annual evaluation of the performance of the Committee.